Fooling With Fraud (Page 9)

Clearing the Slums (Page 8)

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

ENLARGED MINING SECTION A WEEKLY FEATURE PAGES 14-16

The Canadian Newspaper for Business Men and Investors

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The Nation's Business

Better Housing for Canadians

No Need for State to Spend Money

Debt and Drought

Western Canada's Twin Difficulties Are Discussed by Experts

No Loan Plan

Home Building Whose Job Is It?

THE whole question of the rôle of the State in providing homes for workingmen has been forced into the arena of debate once again by the Bruce report in Toronto. This report drawn up by a special committee of citizens under the chairmanship of the Lieutenant-Governor of the province, demonstrates the existence of slums in Toronto; indicates a shortage in low-rent homes; and accepts the principle that the "community is responsible for the provision of satisfactory dwellings for those who are too poor to afford them."

Large public expenditure on low cost houses is proposed. The lesson is drawn from British experience that "a general improvement in housing conditions is a lengthy, expensive and complicated process." But Britain's decision after painful experiences with State housing to rely upon private enterprise to relieve the problem of bad housing, is merely termed "backsliding."

* * *

IN ITS recommendations, which are addressed to the city of Toronto but which are intended for general study throughout Canada, the committee puts the job of re-housing up to government. It asks Toronto to set up a city planning commission. This is a useful suggestion. It asks city departments to condemn unfit houses, and provincial governments to give them that power. It asks the city to initiate a large scale slum clearance and house building programme and urges both the provincial and Dominion governments to provide financial assistance.

The now quaint argument that "both governments stand to gain from the decreased burden of unemployment relief and from the increased prosperity and public revenues which all such expenditures promote" is offered among others in support of large scale public expenditures which must ultimately be borne by the taxpayers at large.

* * *

THE report is disappointing. It can see no way out except for governments that are almost bankrupt to go deeper into the red in making more expenditures. It fails to see the relationship between high governmental costs and the poverty it deplores.

There are slums in Toronto as elsewhere in Canada that ought to be eliminated. There probably is, as the committee declares, a shortage of homes. How can both of these conditions best be remedied?

One step the committee has outlined: the need for gradually raising the minimum health and safety standards of homes to wipe out, in time, unsafe and unhealthy habitations.

A second step the committee did not see; to remove the artificial restrictions which discourage building.

* * *

BUILDERS are ready to go ahead; carpenters and masons are looking for work; people with money to loan are anxious to loan it; those who own land would be glad to sell it. If a shortage of homes exists, why are the homes not being built?

There are several reasons. One is that assessments and taxation are both unreasonably high, due in large measure to the expenditure of such large amounts of the taxpayers' money on measures designed to "promote prosperity" in the distant and recent past.

Another is that moratorium legislation has dried up the sources of capital needed for building. The man who makes a loan of 50 per cent of the value of a property must have some assurance that his money is safe or he will stop lending. And when lending stops building stops.

The housing problem is not going to be solved quickly, even by State action. The most efficient and inexpensive way to solve it is for governments to remove the obstacles that prevent private builders from going ahead, risking their own and not the taxpayers' money.

* * *

THE belief of the committee that, even if private building were given the chance, it could not produce homes to rent at the prices poor people can pay introduces

(Continued on page 2, col. 4)

Prospectus Lays Bare Fanny Farmer Details

Profits, Costs, and Investments Are Disclosed With Offering

Net profits of $123,088 for the first six months to June 30 last of the current fiscal year for Fanny Farmer Candy shops as compared with $219,256 for the whole of 1933 are reported in a prospectus issued by A. W. Porter Inc. of New York City. The latter concern is handling the sale of a block of 180,000 common shares in Fanny Farmer for Candies Investments Ltd., a personal holding company of Frank P. O'Connor, head of both Fanny Farmer and Laura Secord. Total sales for the first half of the current year are reported at $1,879,252 as against $3,406,988 for the whole of 1933.

O'Connor Contract

In addition to revealing detailed information regarding Fanny Farmer the prospectus also states Candies Investments Ltd., holds 70 per cent of the common stock in Fanny Farmer, and about 55 per cent of the common stock in Laura Secord. From the latter company Mr. O'Connor is reported to receive an annual salary of $26,000 and from Fanny Farmer $25,000 plus 10 per cent of the net profits of this company in excess of $250,000 a year but not exceeding $40,000 including the salary mentioned. His Fanny Farmer contract is for three years from March 4, 1932.

Expect Higher Earnings

"During the past two years, the company's net profits have not been in excess of $250,000," the prospectus states. "It is estimated, however, that some additional compensation will be payable to Mr. O'Connor under this 10 per cent provision for the ensuing year.

The prospectus includes a detailed statement covering profit and surplus account at June 30, 1934, as compared with position at end of fiscal year as follows:

Income from Trading, Manufacturing, etc.	1933 $	1934 (6 mon.) $
Gross sales	3,406,988	1,879,252
Cost of goods	1,390,526	802,676
Gross profit	2,016,461	1,076,576
Less: Selling expenses	943,220	522,460
Maintenance	600	6,262
Rents	765,487	375,964
Gen. taxes	8,915	7,777
Depreciation	85,511	39,109
Total cost	1,803,734	951,572
Income, Trading	212,728	125,004
Income from Other than Operations		
Int., bank accts. & investments	65,697	25,526
Profit, sale of secs.	3,934	......
Miscellaneous	3,898	3,558
Total other income	73,528	29,084
Net, before inc. tax	286,256	154,088
Income taxes	67,000	31,000
Net income	219,256	123,088
Earned Surplus		
Balance	1,326,095	890,885
Add: Net income	219,256	123,088
Total	1,545,351	1,013,972
Dividends paid:		
Preferred	36,519	16,921
Common	97,918	73,221
Total dividends	134,437	90,142
Net	1,410,914	923,830
Other charges*	520,029	264,339
Earned surplus	890,885	659,491

	1933 $	1934 $
*Cost pf. shs. redeem.	20,030	264,339
Goodwill writ. off	499,999	......
Total	520,029	264,339

Recent sales of Fanny Farmer, The Financial Post understands, have been running 25 per cent above the same period a year ago so that it is estimated that net profits will be well in excess of 1933 when they amounted to $219,256 as against $147,725 in 1932. Previous to the latter year net profits were very much higher, reaching a peak of $444,120 in 1929.

Sales and Earnings

Year	Gross Sales	Net Profits
1931	$3,517,879	$232,722
1932	3,207,408	147,725
1933	3,406,988	219,256
1934*	1,879,252	123,088

*Six months to June 30.

Two Income Sources

The company derives its income from two sources. The main return is from the candies manufactured in its six United States plants and sold through its chain of 157 retail stores in the northern and eastern states. However, there is also a substantial return on investments which at June 30, 1934 were carried at a cost value of $749,832 but had a par value of $766,000 and an approximate market value at the time of $799,042. Against the cost value was a reserve for depreciation of $81,737 which reduced the net value of investments on the company's books to $668,096. Income from these investments and bank accounts amounted to $25,526 for the first six months of 1934, according to the prospectus of A. W. Porter Inc., and to $65,697 for the whole of 1933. Bonds held by the company at June 30, 1934, were as follows:

	Par Value
C. N. Rys.	$310,000
C. N. Steamships	25,000
Prov. Ont.	157,000
Hydro-Electric Comm. Ont.	85,000
T. & N. O. Ry.	27,000
City of Toronto	92,000
Toronto Harbor Comm.	15,000
City of Montreal	5,000
Dom. of Canada	50,000
Total	$766,000

Consideration $1,185,000

Of the 280,000 new common shares held by Candies Investments Ltd. in Fanny Farmer A. W. Porter Inc. has agreed to purchase a block of 20,000 at $5.75 and has 120 day options on another block of 40,000 at the same price, 60,000 at $6 and another 60,000 at $8, or a total of 180,000 shares. The price in all cases is in Canadian dollars and there is an agreement covering fluctuations in exchange. In the event of all options being taken up, Candies Investments Ltd. will receive a total consideration of $1,185,000 and will still retain 100,000 common shares or 25 per cent control.

At Market Price

The shares are to be offered by A. W. Porter Inc. at the last price at which the shares shall have been sold from time to time on the New York Curb Exchange immediately prior to the receipt of the orders. Shares will be offered to dealers in Canada and United States at the same price less 75 cents per share. The shares are currently quoted at $7.25 bid and $7.50 asked.

The balance sheet as at June 30, 1934, shows a reduction in the liquid position of the company, with total assets at $1,679,192 as compared with $1,743,027 at the end of the last fiscal year.

PROSPERITY NOT REASON TARIFF CUT

Newfoundland Government Moves to Help Fishermen

REVENUES ARE UP

From Our Own Correspondent

ST. JOHN'S, NFLD.—Reductions in Newfoundland tariff, which will cost the government $650,000 over the full year effective Jan. 1, have been brought about not so much because of increased prosperity—though the revenue for the past four months shows a gross increase of 30.5 per cent, or $835,575, over 1933—as for the reason that the commission of Government has concurred in the view expressed by the Royal Commission under Lord Amulree that some reduction in the tariff was necessary to facilitate return to prosperity.

With this principle in mind the government set about not only simplifying the tariff, which had become, under the tinkering of successive governments, a thing of shreds and patches, but with the main object of producing such modifications as would effectively reduce the cost of living and fishing to the fishermen who still form the major part of Newfoundland's population.

Only Beginning Made

The Government frankly admits they have but made a beginning and it is generally held that many of the reductions are not sufficiently strong to afford much relief to the consumer. In a few cases, however, marked relief will exist.

Abolition of sales tax and super tax is considered the most valuable feature of the changes, as these duties involved intricate calculations. To offset this, there has been a levelling up of duties on goods affected by these taxes.

Little Effect on Canada

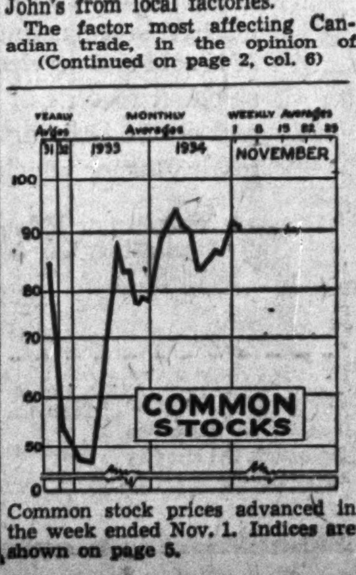
As far as Canadian trade is concerned, opinion exists that it is little affected by the tariff changes.

A representative of Canadian Industries, Ltd., pointed out that ammunition would be about one per cent higher under the new tariff. Paints and varnishes would be similarly affected but the status would be practically unchanged. Fertilizers, formerly duty free, would still enter under this ruling.

Hudson's Bay Co., whose major importation from Canada is flour, will reap the benefit of 51½ cents per barrel reduction. White sugar, which comes next will pay 3¼ cents a pound and, though brown and yellow sugar from the British West Indies will be admitted for one and quarter cents very little is used. Most of their supplies of tobacco, biscuits, and candy are purchased in St. John's from local factories.

The factor most affecting Canadian trade, in the opinion of

(Continued on page 2, col. 6)



Common stock prices advanced in the week ended Nov. 1. Indices are shown on page 5.

DOM. WOOLLENS WILL NOT PAY BOND INTEREST

Due Dec. 1 But Not Covered in Current Year

DEFERRED SINCE 1932

Bonds Fall Over 20 Points From July High Mark—Official Statement Expected

Interest due Dec. 1 next on Dominion Woollens & Worsteds bonds will not be paid, The Financial Post learns from a reliable source. Substantial improvement made in the company's business during the last fiscal year which ended June 30, when bond interest and depreciation were just barely covered, has not been maintained. From a sales standpoint results so far in the current year have been disappointing. The company's bonds which were selling at over $50 early in July have been recently quoted at below the $30 mark.

Expect Statement

There is no indication of any compromise arrangement being made until after a meeting of the bondholders but an official statement to the effect that interest will not be paid is anticipated before Dec. 1 so that coupon will not be presented to the company for payments. Early in 1933 bondholders agreed to defer interest on the bonds from Dec. 1932 for two years, and also to modifications in sinking fund requirements.

For the fiscal year ended June 30, 1933, the company had a net loss of $117,914 after providing for bond interest which was not paid but in 1934 both bond interest due and moderate depreciation of $92,000 were covered by over $20,000.

Income Account, Years Ended June 30	1934 $	1933 $
Net earnings	▲241,786	•117,944
Less: Depreciation	92,000	175,368
Bond interest	127,020	......
Interest on def. bond interest	10,161	......
Prov. for bad debts	13,932	......
Net profit†	*1,327	*293,312
Add: Prev. surplus	627,520	*924,294
Capital adjustment	......	1,845,126
Balance forward	626,193	627,520

*Deficit or loss.

†Available for dividends and income tax.

▲Profit before providing for bond interest, bad debts and depreciation.

•Loss after providing for bond interest (payment of which has been deferred) and all expenses and bad debts.

Times Bond Int. Earned:		
Before deprec.	1.76	....
After deprec.	1.09	....

Buying Falls Off

Since the end of the last fiscal year, however, buying has fallen off, The Post is informed. The rising wool market of last fall and early winter with a consequent rise in the price of the finished materials sold by the company resulted in heavy purchases by the clothing trades. Apparently the thing was overdone and when wool started tumbling in February and March, to be followed shortly afterward by declining values in cloth, purchases fell off and have not yet been resumed.

NEW ENFORCEMENT DRAWBACK RULING HITS AUTO MAKERS

Qualification for Drawback Limited to Individual Models

From Our Own Correspondent

OTTAWA.—Undeterred by representations of automobile manufacturers, the National Revenue Department has decided to make an important change in the enforcement of the drawback item of the tariff (1055) covering importation of automobile parts. The change, it is understood, goes into force at once.

This tariff item provides that automobile manufacturers may obtain refunds of 60 and 25 per cent of the tariff paid on imported parts, where 50 per cent of the finished product—the automobile—represents Canadian wages and/or material. The amount of the drawback depends upon the kind of part imported.

Only Two Cars Qualify

Hitherto the National Revenue Department has administered this tariff item in a broad way. Automobile manufacturers were permitted to claim the drawback on the basis of their total production. Hereafter they must claim it on the basis of each car.

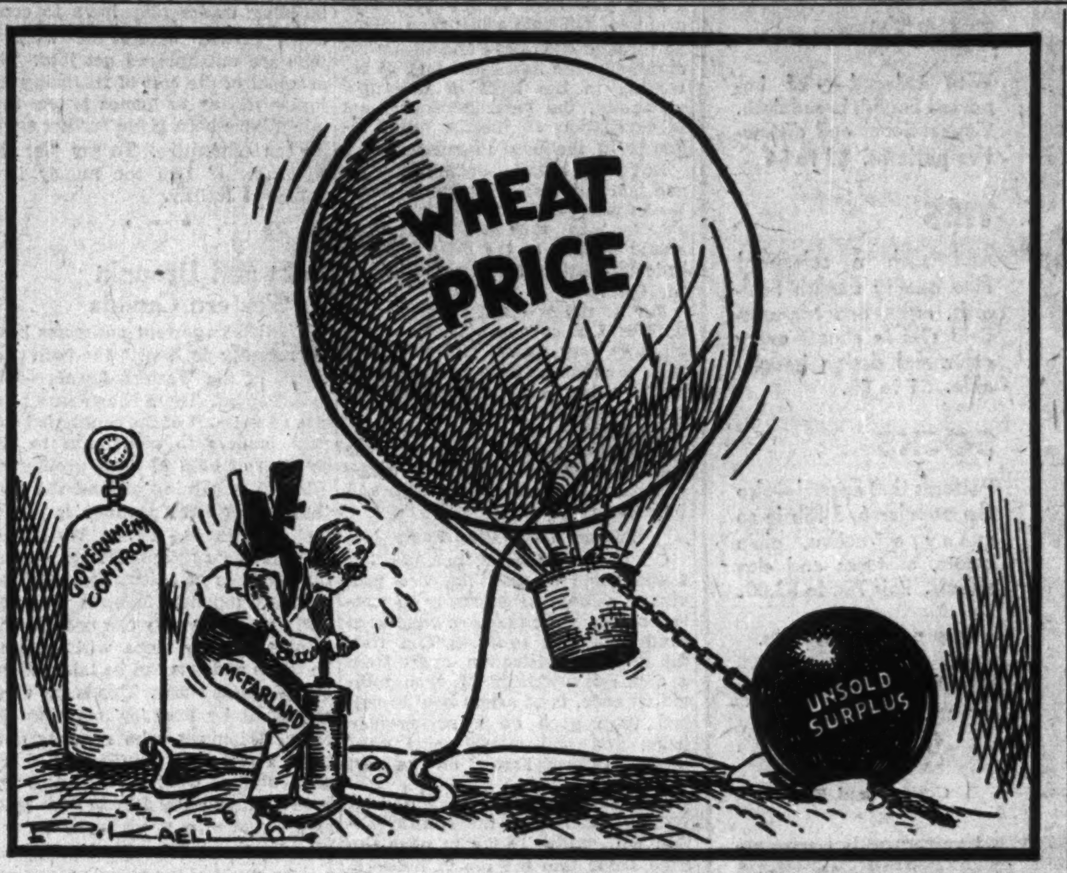
It is known that only two cars now made in Canada are eligible for the drawback—the Ford and the Chevrolet. But it is understood that the made-in-Canada percentage of the Chevrolet is so great that the company was able to obtain the drawback on parts imported for other cars which it makes. The favorable balance on one car was used to raise the Canadian content of others.

Not Departmental Matter

This will not be permitted and the decision, it is learned, stands notwithstanding representations made by the manufacturers to the government.

The view of the department is that while the change may occasion hard-

(Continued on page 2, col. 2)



—Drawn for The Financial Post by R. Kaell.

TOO HEAVY A LOAD

U. S. Urges Caution In Canadian Codes

Bitter Experiences of N. R. A. Point Way For Provinces

By KENNETH R. WILSON
Business Editor, The Financial Post

"My advice to Canada is to go very slowly and profit from the terrible mistakes which have been made by N. R. A. in our country."

This is the substance of advice given me in Washington recently by one of the five men newly-charged with the responsibility of shaping the course of America's far-famed industrial recovery legislation.

"Don't mistake my point of view," he told me. "I became thoroughly convinced several years ago that industry in this country badly needed codes of business practice to stamp out abuses which had crept into our system in the last ten years. Accordingly, I welcomed N. R. A. as an answer to this problem.

"I still strongly favor codes—for certain industries—but our big mistake was to assume that this radical legislation could be applied almost indiscriminately to every trade and industry in the country.

Few Industries Adaptable

"Take for instance the price and production control features of N. R. A. I doubt if these should ever have been applied to more than 5 per cent of industry in the United States. Then, too, there are any number of industries and particularly trade groups for which codification should never have been attempted. The hotel business is a case in point. I do not believe this business can or should be codified. There are dozens of industries in exactly the same boat.

"Canada should profit from our experience. I do not believe the United States will ever retreat from the N. R. A. principle of laying down a legislative formula to aid business in conducting its affairs along sound reasonable lines. To me such a retreat would be unthinkable. But by going very slowly and cautiously, Canada can learn a great deal by what has happened here in the past 15 months."

Lessons for Canada

With three Canadian provinces already dabbling in code legislation, these words are pregnant with meaning for Canadian business. They are, of course, one man's opinion but the fact that this opinion comes from one who has been at the very centre of N. R. A. development in the United States; the fact that it comes from one who, while maintaining implicit faith in the theory of an industrial code of ethics, is convinced that the plan can only be applied to a very small part of the American industrial structure—is a matter of vital importance to this country.

As most of us know, N.R.A.'s future is still in the melting pot. Chief reason for this is that an autocratic one-man control has been replaced by the five-man National Industrial Recovery Board (N.I.R.B.), each member of which seems to have widely different views as to what policy should be adopted. Through its chairman, the new board is directly responsible to Roosevelt's I. E. C. (Industrial Economic Committee) headed by Donald Richberg. Thus I.E.C. has been given by executive order the authority to determine general policies for N.R.A. But Mr. Richberg has flatly denied that his committee will run N.R.A. and has put the responsibility squarely on the shoulders of N.I.R.B.

Membership of N.I.R.B. includes Clay Williams, head of the Reynolds Tobacco Co., as chairman; A. B. Whiteside, president of Dun, Bradstreet & Co.; Sydney Hillman, labor representative of the board; Prof. Leon C. Marshall, of Johns Hopkins, and Prof. Walton Hamilton, of Yale, both of whom might be termed "brain trusters." Ex officio and without voting power are two additional members namely, Leon Henderson (economic adviser to N.R.A.) and Blackwell Smith (N.R.A. legal adviser).

As yet the new board has had but one or two meetings and one of its membership admitted to me that "we have had no time to discuss matters of principle." Critics say the issue is being dodged because scarcely one of the five members, according to well authenticated reports, are agreed as to just what should be done though all have definite views of their own.

Three Main Problems

Major problems facing the new administration board fall roughly into three main groupings. There is the labor or collective bargaining issue. There is "compliance." There is the question of price and production control. This grouping is rough and ready and perhaps not strictly accurate but it serves to focus attention on the highlights of the situation.

As to price and production control, it seems now certain that no new provisions of this nature will be written into any future codes and that some formula will shortly be sought whereby this feature can be eliminated from many if not the majority of codes now in existence.

New Philosophy

The viewpoint of Donald Richberg, speaking recently before the National Press Club at Washington, gives some insight into what the administration is thinking in this respect. He said:

"It is my conviction that in the development of N. R. A., we have been going through a process of education. I think many businessmen that came down here determined upon production-control and price-control, which they thought were essential to their safety and would produce them profits, have been seriously disillusioned in the course of the year—disillusioned partly as to the practical possibility of carrying out their desires—and disillusioned as to whether they really want them carried out.

"There is no doubt of the necessity in some specific instances of preventing destructive price-cutting. There is no doubt of the necessity sometimes of putting some controls on production. But to apply any sweeping theory to business as a whole, that in some way through trade associations, they are going to control production and prices in such a way as to bring about wonderful results, is an iridescent dream. I think many businessmen have been dreaming this, not realizing the type of social control of which they were dreaming; and that they are coming to realize that they better

(Continued on page 2, col. 3)

Week's Figures Feature Decline In Retail Sales

Although retail sales were ten per cent higher in September than in the previous month they did not reach the level of the same month a year ago, according to the index of the Dominion Bureau of Statistics, based on sales of chain stores.

Footwear production, for the fourth consecutive month, was below the figure for the corresponding month of 1933.

		Change From Prev. Period	From Prev. Year
Monthly	Sept. 1934	%	%
Flour prod.....bbls.	1,383,205	+ 8.0	— 0.2
Retail sales....index	72.9	+ 9.9	— 1.3
Footwear prod..prs.	1,704,677	— 9.0	—16.0
Weekly			
Car loadings....No.	55,402	— 2.8	+12.0
Cattle sales......No.	22,849	— 3.4	+ 6.5
Hog sales........No.	23,821	+11.6	+ 1.2

Highlights of the week

Slum Clearance

Penalties for overcrowding may be the solution of the slums problem. Experience abroad recounted as background for anti-slum campaigns in Canada. Page 8

Fooling With Fraud

Stock crooks are not being stopped by provincial investment fraud acts. What is wrong. Told by Norman Harris who has scrutinized stock swindles from unusual vantage points. Page 9

Rail Temporizing

Since the C. N. R. trustees were appointed, the burden of Canada's rail deficits has been little reduced. Temporizing with Canada's big problem. Page 9

Ladies' Bank

Bank of Canada shareholders are over one third women. Some day the bank may be controlled by women. Who got the shares? Page 4

Stevens' Heir

William Walker Kennedy, who has succeeded H. H. Stevens as chairman of the Price Spreads Enquiry, was a farm boy. His career to date. Page 3

British Subsidies

National government in Britain has been subsidizing freely. John Stevenson interprets this departure from tradition. Page 6

Teck-Hughes

Still smarting from the recent tumble of Teck-Hughes stock, shareholders would like to prevent a repetition. David R. Thomas, engineer and shareholder, has a novel plan. Page 15

Hammell "Cracks Open"

Mining man talks freely about mines and governments and the relationship that should exist between them. Page 16

Radio Privateers

Are you following radio talks on "Whither the dollar?" or "Making the world safe for democracy?" This is a new method of circumventing the radio commission ban on stock tipsters. Page 14

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POWELL RIVER SAID TO MAKE OWN '35 PRICE

Coast Newsprint Producer Reported as Carrying on With 1934 Price

SITUATION OBSCURE

Taschereau - A.N.P.A. Controversy Fading Out — Both Sides Look for Advantage

From Our Own Correspondent

MONTREAL. — No announcements of 1935 newsprint prices have been made as yet by the manufacturers, but, in addition to St. Lawrence Paper Mills which has contracted to make deliveries in 1935 at the existing price level, Powell River Co. is said to have decided to carry on with the existing price schedule. Rumors to this effect are fairly general, but official confirmation cannot be secured as to the accuracy of the report.

While operations and marketing of the big Pacific Coast producer are largely concentrated in the Western area and do not conflict with those in the Eastern or mid-western sections of the United States, the action of this firm, if confirmed, would be a blow to the plan of the other manufacturers to secure a higher price on next year's deliveries.

Strengthen Publishers' Case

With St. Lawrence Paper Mills and Powell River willing to take business for next year at 1934 prices, the opposition of the publishers to a price advance would be greatly strengthened. It would make it difficult, if not impossible, for the producer to do anything about a higher price, at least during the first half of the coming year.

In the United States, International Paper Co. and Great Northern have announced continuation of present prices for limited periods. International extended the current price through November and Great Northern through December.

There have been no major developments in connection with Premier Taschereau's threat to penalize St. Lawrence Paper Mills, or in the controversy between the American Newspaper Publishers' Association and the Quebec Premier.

St. Lawrence Paper's Position

It will be recalled that Mr. Taschereau made a public utterance to the effect that steps would be taken to remove the privileges of any Quebec producer who cut prices, or sold newsprint below cost. This announcement was aimed directly at St. Lawrence Paper Mills, and though the Premier was expected to take action before this, all that has been done to date, according to information received by The Financial Post, is to make certain changes in stumpage dues which have brought about a small increase in cost of pulpwood to the company. The more serious threat of limiting woods operations to timber of not less than 10 inches in diameter and the withdrawal of privileges on royalties, etc., do not appear to have been put in effect.

There is also less talk respecting the ability of St. Lawrence Paper Mills to secure the necessary working capital to carry on operations during 1935. While no official information can be obtained on this point, reports have it that St. Lawrence will be able to secure whatever capital is necessary with which to carry on operations in 1935.

Controversy Quiets Down

Premier Taschereau's controversy with the A.N.P.A. is now generally admitted to have done more harm than good. The threat of government intervention in the relations between the manufacturers of newsprint and the publishers proved to be somewhat of a boomerang in that the opposition of the A.N.P.A. became more pronounced than ever.

Previous efforts of the Quebec Premier to bring about stability in the affairs of the newsprint industry did not work out well, and the apparent dropping of the present controversy in the past week is expected to prove helpful in narrowing, rather than widening the breach between the publishers and the producers.

Still Work on Plan

As far as the Canadian manufacturers are concerned, they have been quietly working on their plans. While the hope for a price increase is not nearly as bright as it was three or four months ago, many

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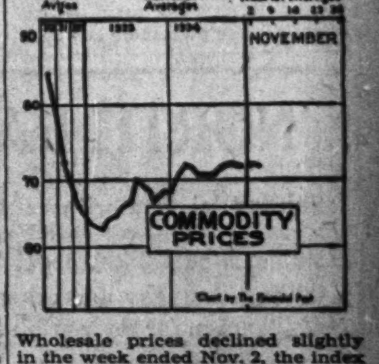

Wholesale prices declined slightly in the week ended Nov. 2, the index of the Dominion Bureau of Statistics being 71.1 as against 71.3 in the previous week.

MEN'S SHOP

FALL ACCENTS!

SHIRTS

Well tailored — of imported English broadcloth. Conventional and distinctive patterns. $2 to $4

TIES

And such a selection! Fine quality English Foulards, repp, and Macclesfield silks in almost every color and design imaginable. $1 to $3.

SOCKS

Patterns that appeal—also the popular 6/3 Rib in so many attractive, plain colors, mixtures and clox effects. Pair 75c to $3.00.

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MEN'S SHOP

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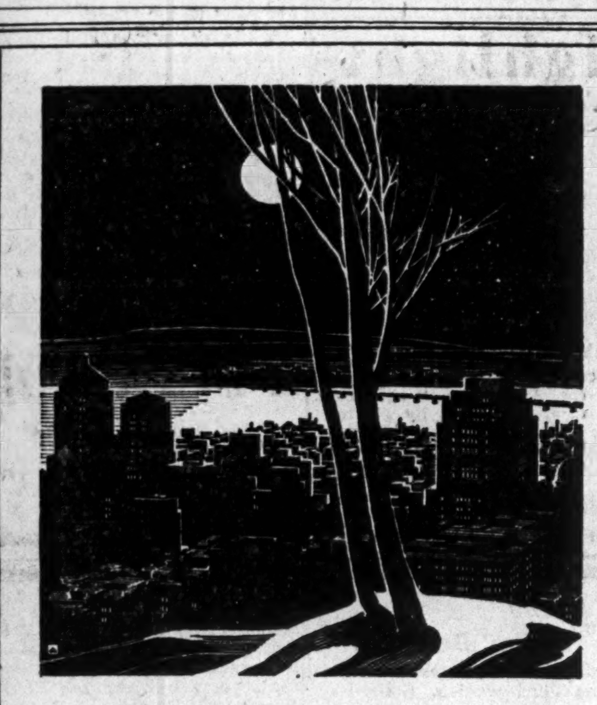

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THE ROYAL BANK OF CANADA

U. S. URGES CAUTION IN CANADIAN CODES

(Continued from page 1)

come back nearer to the sound competitive system on which they were working."

In the same kid-gloved way, federal officials are tackling the larger thorny problem of "compliance." For it is obvious that with price and production control features in a great number of the 1,000 N.R.A. codes already in force, it is no easy task to introduce this new "middle-of-the-road" point of view into N.R.A. without wrecking the entire structure.

And just here is one very real problem. Officials admit they might go through each code and tackle individually the herculean task of rewriting in the light of this new viewpoint, the heterogeneous mass of legislation so hastily flung together in the past 15 months.

But such a task—even if human and legislative elements permitted—would take perhaps a year or two to achieve. In the meantime what would happen to the main body of code legislation, already the law of the land?

For at the moment "compliance" with N.R.A. code provisions is admittedly very shaky. Not only have key provisions been attacked in courts of law as unconstitutional but public feeling — particularly as affecting small trades and business—is aroused against many of the stupid, senseless provisions which hamstring the small shopkeeper and business man.

Passing Over Blue Eagle

On the other hand, business has found much of merit in code provisions as applied generally to matters of fair trade practice, sweatshop conditions and so forth and thus the new administration, apart from a detailed rewriting of each individual code, is at a loss how to cull bad from good on a nation-wide scale, and still retain some semblance of "compliance" on the part of industry.

The guess most often heard at Washington is that the administration will gradually try to push the Blue Eagle into the lap of industry itself, in the hope that business rather than government may do the plucking. Government would supposedly hang on to the leash in some way as yet to be determined but whether Blue Eagle can be plucked in this way without dire consequences to both bird and pluckers, is something as yet undetermined.

Legal Lessons of N. R. A.

Just here a vital point of interest to Canada in the legal background of N. R. A. may be made. It is well known that a wide variety of test cases as to the constitutionality of N. R. A. are now awaiting decision in various U. S. courts. The general feeling is that any one of these decisions may easily throw the entire N. R. A. administration into confusion if not into the discard.

Those closely associated with this situation tell me that most of the points on which the legislation is challenged, need never have arisen if ordinary care and common sense had been used in formulating N.R.A. One of the most important contributing factors is said to have been interdepartmental "politics" and friction among the various federal departments at Washington. Much of this was doubtless due to the high-pressure methods with which the N. R. A. programme was forced into action. "We put the cart before the horse in much of the N. R. A. programme," said an administrative official. "Canadians can benefit by studying our present dilemma."

Labor Problem Still Unsettled

The other major problem with which N. R. A. has as yet to come to grips is the collective bargaining issue as crystallized in famous section 7a of the National Industrial Recovery Act.

Officials of N. R. A. assured me that the original intention of the act was to give labor in as simple a form as possible, the assurance that it would have under "codes" the right to bargain collectively with employers. Furthermore, in February they denied in an official "interpretation" that the clause gave the whiphand to a "majority" group at the expense of a minority or the individual worker.

On the other hand the National Labor Relations Board rendered an exactly opposite judgment only a short time ago in which they interpreted 7a (in the case of the Houde Engineering Corp. which is still hanging fire) as meaning that the chosen representatives of an industry should have the sole right to bargain for the entire group irrespective of the wishes of the minority or the individual.

Vital to Organized Labor

If this latter interpretation is upheld it is of course a matter of the greatest moment to organized labor in the United States, for it gives competing union bodies a tremendous lever and prize to struggle for. It would mean that in any codified industry, all that would be needed would be to obtain a majority representation in any plant or group, and their will would become enforceable on the entire labor force.

It is for this prize labor is fighting and around this interpretation much of the industrial strife of the last few months has been waged. Observers agree that the way is still fraught with very great danger—particularly as affecting the automobile and steel trades which are currently the most vulnerable industries in this respect.

Lesson for Canada

Here again the lesson seems clear as far as Canada is concerned. For the crux of the U. S. situation (assuming the creators of N. R. A. were fixed in their purpose in the first place) lies in the failure to put on the statute book legislation which was clear-cut and decisive and which could reasonably hope to stand muster in the cold light of jurisprudence and practical politics. In other words it looks from this distance as if N. R. A. purposely dodged the issue of collective bargaining by hoping that a simple, innocuous phrase would "get by" long enough to let them achieve their fundamental purpose.

As one commentator puts it:

"Because of its simplicity, it has been from the beginning the most slippery, unmanageable piece of writing that perhaps ever went into law—whereas all the matters to be settled under it are, in fact, humanly complex."

This situation is one of the major uncertainties surrounding U. S. business at the present time. It is an excellent example of the lack of definite purpose in the New Deal, to which I referred in a previous article.

The Nation's Business

(Continued from page 1)

another problem which might have been studied but was not studied by the committee. The main items of cost in building are wages—whether spent on the job or spent where the materials are made or assembled,—and cost of financing. These plus the interest rate and the level of taxation determine rentals.

Interest rates have come down; taxation has gone up. Wages in the building trades may have to come down further before the workers who are unemployed get jobs. The problem of the cost of financing the junior money in homes is one that might have been given further study by the committee. To say "let the government" find the money is a policy of futility.

• • •

Debt and Drought In Western Canada

THREE important addresses have recently dealt with the twin problems of the Western farmer—debt and drought. There is an earnest desire on the part of the country's business leaders to contribute to the solution of both of these problems.

There is gaining ground the idea that the drought problem is not to be taken in one stride. No simple devices such as planting trees, changing methods of cultivation, refilling ditches, moving farmers or any other single remedy can provide the solution. Many steps will have to be taken and few can be taken without adequate study. This is the view expressed by Premier John Bracken, of Winnipeg, who recently outlined a series of proposals that are particularly worthy of attention because they come from a man who, as an agricultural professor in the West before he entered politics, made a close study of the peculiar features of "dry-farming."

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NEW debt adjustment legislation of the Dominion government is beginning to function. It was designed primarily in the interests of the farmers but it contains substantial provision for the protection of creditors' interests. In any event the scheme for readjustment of the debts of overburdened farmers is being given the support of insurance companies, mortgage companies, implement companies and others because of the feeling of confidence in the administrator of the Farmers' Creditors Arrangements Act, M. A. Macpherson. In Toronto this week. Major Macpherson told of the beginnings of progress under the act, indicated his faith in its successful operation in bringing farmer debtors and their creditors together. His emphasis upon the need to be thoroughly fair with those who have loaned money to farmers in the past; his recognition that debtors are usually creditors as well, and creditors are always debtors, both these views were refreshing in contrast to the purely political indictments of "money changers" and "usurers" so frequently voiced by agitators professing to speak for Western farmers.

• • •

A NOTABLE effort to make a constructive contribution to the discussion of the problem of the Western farmers' debts is that of C. C. Ferguson, general manager of the Great-West Life Assurance Company, who recently spoke to the United Farmers of Manitoba.

From his vantage point as head of a corporation with almost $20,000,000 invested in farm mortgages, Mr. Ferguson, talked "shop." "I stand in a trustee position between my policyholders and those to whom the policyholders' money is lent" he said. "My particular task is to outline general principles which I think should underlie the making of farm mortgages in the future."

Of many useful and important points raised by Mr. Ferguson, the most significant is his expression of a firm conviction that in view of variations in prices and climate to which Western agriculture is exposed,

> "no farmer can undertake to repay his mortgage loan out of his farm production in stipulated annual money installments with any certainty that he will be able to regularly meet such obligation.
>
> "I am sorry to come to this conclusion because as a mathematician I like the precision of the amortization plan of equal annual money installments covering both interest and principal, but it is simply not practical and would work to the disadvantage chiefly of the borrower."

As an alternative he suggests a "produce share plan" under which the borrower shall deliver in each year a specified share of the farm produce or pay a sum of money equivalent thereto on the basis of prices current from time to time. Around this general plan he would set up certain specific safeguards which he believes necessary in the interests of both debtor and creditor.

• • •

THE plan is put forward with some diffidence by Mr. Ferguson, but he explains his suggestion by saying he feels the time has come to face facts; to seek reasons why the contract has proved unsatisfactory in recent years and to face the prospect "that if we do not like the new type of contract, when found, we would much better decline to enter the field rather than undertake to do business on terms which we know from experience cannot be lived up to."

Discussion of this radical proposal will revolve around whether such a flexible contract would attract lenders into the field of western farm mortgages in the future. Given a year or two of high prices and good crops, lenders would probably be more than willing to offer their moneys for investment at an immediate fixed rate of return, than enter the more flexible contract suggested by Mr. Ferguson. The question is not unlike arguing the respective merits of a participating life insurance policy as against the rigid limitations of a non-par policy. The difference is that as yet there is no "record of performance" against which one can measure the probable return on the "produce share" or participating form of mortgage contract.

Footnotes to Ottawa

From Our Own Correspondent

British Market's Future

FOLLOWING a tour of the United Kingdom, Dr. E. S. Archibald, director of Dominion Experimental Farms, has returned to Ottawa with a word of encouragement to Canadian farmers. Despite the expansion of the British Agricultural industry, Dr. Archibald declares that this country is assured of a steady market for livestock, bacon, cheese. apples and other primary products, so long as the requirements of the British market are met. It is a case of maintaining quality and volume.

• • •

Challenge Milk Control

IT NOW appears certain that the milk control law either of Ontario or Quebec will be challenged in the courts on constitutional grounds. In Montreal the Quebec Dairy Industry Commission has launched criminal action against 12 dealers who are alleged to have violated an order that six cents a pint or 10 cents per quart must be the minimum price for milk. Counsel for the accused have announced they will argue that the Quebec legislature exceeded its jurisdiction under the B.N.A. Act when it gave to the commission power to fix commercial rates for sale of milk and cream. They will argue that this is an invasion of the federal jurisdiction over trade and commerce. The hospital authorities at Ottawa are considering challenging the Ontario Milk Act on the grounds that it threatens to void a contract between the hospital and Ottawa milk companies.

• • •

German Treaty

ACTION of the Hitler Government in terminating the German-United States trade agreement is regarded as foreshadowing the death of the temporary agreement between Germany and Canada which expires December 31. This agreement was originally negotiated for one year and has been renewed from time to time. In ending the agreement with the United States the Hitler Government took the position that no pact could be continued if the balance of trade under it was unfavorable to Germany. The United States sold more than she bought—hence the denouncement of the treaty.

In Canada's case, exports for the 12 months ended August 31 (the latest available figures) were $9,863,910; imports were $10,644,847. But Canadian trade figures are based upon immediate destination and the total of exports, therefore, does not include a substantial volume of goods shipped to Germany via Holland and the Netherlands. If the trade agreement is not renewed and succeeding months bring tariff increases, several industries will be injured. Chief among them is the iron and steel industry of Newfoundland, which is linked to the coal industry of Nova Scotia. There have been substantial exports of iron and steel to Germany in recent years.

• • •

Still Many Vacancies

DESPITE the filling of scores of government jobs in the past four months, the Bennett Government has still a large number of vacant positions to be filled. They include 11 senatorships, 2 lieutenant-governorships, two supreme court judgeships, three deputy ministerships the chairmanship of the railway commission, a French-Canadian member of the radio commission and scores of minor jobs.

Obituary

William King Pearce, former assistant general manager of The Dominion Bank, died recently at Toronto in his 71st year.

E. E. Lepine of Joliette, Que., formerly manager for the Banque Canadienne Nationale at Joliette, died recently at that city.

PROSPERITY NOT REASON TARIFF CUT

(Continued from page 1)

Hon. Harold Macpherson, manager of the Royal Stores, is the proposal for the free entry of rubber boots. Mr. Macpherson expressed the fear that large importations of Japanese made boots, selling at half the price of the Canadian product, though of inferior quality to Canadian, would result in leaving fishermen with inferior quality footwear and seriously reducing Canadian rubberwear imports.

Free entry of English marine motors may affect the sales of Acadia Gas Engines motors. Horses and animals for stock improvement will be duty free and Nova Scotia is likely to feel the benefit from resultant increased trade therein.

May Change Duty Value

A new feature proposed, but which customs officials are unready to pronounce on definitely, is a proposal to add for duty purposes transportation charges between origin of goods and seaports of shipment. Thus, goods made in Winnipeg and shipped to Newfoundland from Montreal would include on the invoice for duty purposes the cost of transportation between Winnipeg and Montreal. This proposal is receiving much criticism.

Local opinion sees much less reduction of the burden to consumers from the new tariff than newspapers appear to expect. Only on flour, rubber boots, and a few other products is the consumer expected to receive direct benefit. As reductions that exist will quite frequently be a fraction of a cent per unit, the retailer will receive the chief benefit.

The Government, however, considers the new tariff but a step on the road toward reducing the cost of living to the fisherman, so that he can better compete with his Icelandic and Norwegian competitors in world markets. "If hopes of increased prosperity materialize," said Mr. Lodge, "then I think you can be certain that next year we will be able to take another step along the road of further reductions in duties."

From Our Own Correspondent

OTTAWA.—Immediate benefit to Canadian exporters is seen in the tariff reductions announced by Hon. Thomas Lodge, Commissioner of Public Utilities for Newfoundland.

The Trade and Commerce Department has received no official information regarding the changes but has cabled for an official report. Judging by the newspaper reports, the department believes that the chief industries in Canada to benefit will be the millers, confectioners and the fruit growers, particularly the apple division.

Remove Flour Tariff

The Newfoundland tariff on flour, 51½ cents per barrel, is reported to have been removed entirely. While the Canadian millers have always held most of the market, the change will mean a lower price to consumers and, probably, an increase in sales.

The duty on apples of 70 cents per barrel has also been removed and the Nova Scotia growers are regarded as certain to pick up a market of about $50,000 per year. Newfoundland has been importing apples to the value of about $88,000 per year and Nova Scotia has been supplying something less than half of the market.

All Changes Affect Canada

The tariff on confectionery is cut by 10 per cent. The imports, here, are given at $165,000 per year with Canada holding only about one third of the business.

The department reports that Canadian exporters are interested in nearly every item reported in the newspaper cables. These include canned meat, jams, molasses, canned fruits and juices, candy, clothing, boots and shoes, cotton, woollen piece goods, toilet soap, bricks, electric motors, wire cables, machinery, motor cars, bicycles, radio sets, pianos and musical instruments, pipe tobacco and cigarettes, rubber boots and suits, and oil clothing, twines, sails, canvas, nets and cordage.

Officials of the department declare that all of these items are of importance to Canada except bricks and molasses.

• • •

New and old tariff rates on the items which chiefly affect Canada's trade are:

Newfoundland Tariff Changes

	Tariff Rates		Canada's Export Fiscal Yr. 1934
	New	Old	$
Flour	free	50c bbl.	1,388,200
Raw fruit	free	70c bbl.*	50,257*
Canned meat	3c lb.	6c lb.	294,511†
Rubber boots	free	44%—55%	295,001
Automobiles	10%	55%	26,553
Clothing, all kinds	Reduction 20%		189,578

*Apples only. †All meats.

Noranda's $1 Dividend Surprises Shareholders

Noranada Mines has declared a dividend of $1 per share payable in Canadian funds on Dec. 20 to shareholders of record of Dec. 5. This makes a total dividend for the year of $2 per share, an interim dividend of $1 having been paid June 30. In 1933 the company paid $1.50 in dividends. The Dec. 20 disbursement will entail the distribution of $2,239,772 to shareholders of Noranda.

Safety, the watchword—conservative management, the guiding principle . . . . for 117 years.

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TOTAL ASSETS IN EXCESS OF $700,000,000

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Church's, 2.25 and 3.50.

Currie's, 1.25, 2.25 and $3.

Street Floor.

THE ROBERT SIMPSON COMPANY LIMITED

POWELL RIVER SAID TO MAKE OWN '35 PRICE

(Continued from page 1)

have not given up hope that some compromise will be reached with the publishers whereby the rising cost of manufacture will be taken into consideration in the selling price of the finished product. Some of the publishers are said to favor an adjustment of prices, but the main opposition to a change in price comes from the publishers of the large metropolitan dailies to whom an advance of a few dollars shows up prominently in their cost sheets. Until this opposition is broken down the manufacturers are not likely to get very far with their plans.

Southern Pine to Fore

Meanwhile the muddled affairs of the newsprint industry and the controversy between the Quebec Premier and the A.N.P.A. have been utilized by the proponents for a newsprint mill in the Southern States to forward their claims.

The chief proponent of this enterprise Dr. Charles H. Herty, who perfected the process for paper production from Georgia slash pine, has been most active. The plan for newsprint manufacture in the South is being sponsored by the Southern Newspaper Publishers' Association. A committee has been at work on the project for several months, and a report on their progress is to be made soon. A preliminary report issued a short time ago intimated that the South would be producing newsprint in quantity by the beginning of 1935. That may be, but meanwhile the publishers are using this threat to the supremacy of the Northern mills to strengthen their case for a continuance of the present price schedule.

NEW ENFORCEMENT DRAWBACK RULING HITS AUTO MAKERS

(Continued from page 1)

ship on manufacturers, the former system had to be abandoned for the simple reason that it was illegal.

The Customs Tariff Act is very clear on this point. The drawback is to apply on goods or articles entering into the manufacture of motor cars —individual cars—and not on the output of plants.

Change Means Increase

The change, in reality, means an increase in the tariff on automobile parts which, conversely, involves a reduction in the protection afforded the finished product. It is conceded at Ottawa that the result may work hardship on manufacturers. They will now possess less net protection than perhaps they ought to have. But this, it is pointed out, is not the problem of the department but of the government and parliament.

It is understood the department has suggested that the manufacturers take a case to the tariff board and ask for a recommendation that the loss in protection, due to the change in enforcement, be made good by a straight increase in tariff. This, it is suggested, might be done in time to have the matter remedied at the next session. In the meantime, it is said, production of cars will be very limited, this being the off-season.

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New "Royal" and "Liverpool" Executives

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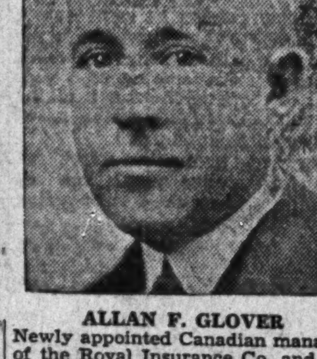

ALLAN F. GLOVER
Newly appointed Canadian manager of the Royal Insurance Co. and the Liverpool & London & Globe Insurance Co.

PERCY M. MAY
Present assistant casualty manager for both groups, who becomes assistant manager of the two companies.

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1. Who makes it?
2. Who services it?
3. What does it cost to run?

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is made in our own factory at Sherbrooke, Que., where we have specialized in the manufacture of mechanical equipment for over 30 years. It is sold and serviced by our expert engineering staff, and it has made splendid records of low-cost operation in hundreds of Canadian homes and public buildings. Mail the coupon for full facts about this Automatic Burner which can be bought on our Instalment Payment Plan.

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Please send me your booklet on Fairbanks Automatic Oil Heating

Name
Address

Kennedy Seeks Rapid Dispatch Of Price Spreads Investigation

Harry Stevens's Successor Is Farm Boy Who Fought Hard Battle to Achieve Ambition of Becoming Full-Fledged Lawyer

By GRANT DEXTER

As reverberations of the epistolary cannonade between Premier R. B. Bennett and Hon. Harry Stevens die away and the smoke clears, the public will observe the Price Spreads Commission—root cause of the conflict—proceeding on its way with a comparative stranger in command.

William Walker Kennedy is his name. Winnipeg is his home town. Law is his profession.

While Mr. Bennett and Mr. Stevens look back over their correspondence, the Commission, guided by Mr. Kennedy, is taking evidence on the fishing industry of Nova Scotia.

Comparative Stranger

The Price Spreads Enquiry, from the outset until a few days ago, was deemed to be the personal affair of Mr. Stevens, a public man whose career dates back to 1911; who has filled the public eye on numerous occasions. Now across the Dominion, questions are being asked, Who is W. W. Kennedy? Where does he come from? What has he ever done? Is he a Bennett man? How does he stand with Stevens? Do the Big Interests know him?

While 52 years of age Mr. Kennedy is by length of service but a subaltern in the Conservative party. Apart from a brief year as an M.P. in the ill-fated parliament of 1925 (dissolved July, 1926) he has had but four years of Parliamentary experience. He has never had a major opportunity of appearing on the national stage until today. The chairmanship of the Commission undoubtedly comes as a great opportunity for promotion; also an acid test of his abilities.

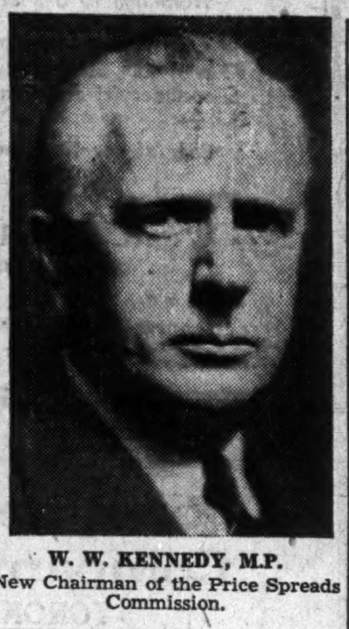
Chosen by Bennett

Mr. Kennedy's name was not drawn blindly out of a hat. He was selected by Mr. Bennett as the best man available under conditions of great urgency. Mr. Stevens resigned on Friday, October 26; the Commission was meeting on the Monday following and required every moment of time possible between then and January to complete its work.

Out of the chance circumstances surrounding a sudden political crisis, Kennedy has got his first rôle in the national spotlight. Virtually unknown yesterday, his name is on a thousand lips today.

Mr. Stevens's Position

The author of the Price Spreads Enquiry has been thrown from the political battlements. He yet retains a seat on the Commission; is determined to justify his past actions and thereby discredit his political executioners—the cabinet. The government, owing to the Stevens incident, no longer possesses a majority on the Commission. Mr. Kennedy, as chairman, cannot with certainty appeal to the ballot as a final arbiter of disputes. He must carry on the enquiry, holding the scales even as between producers and processors, employers and manufacturers, between Mr. Stevens and those he sees arrayed against him, and must finally bring in a report enabling Parliament to go forward with reforms.



W. W. KENNEDY, M.P.
New Chairman of the Price Spreads Commission.

On all counts, the new chairman is in a tough spot.

Little Time to Ponder

And he has had little if any time to consider this feature of it. Mr. Kennedy left Winnipeg for Ottawa Friday Oct 26 to get ready for the sessions of the Commission, of which he was a member. He read a train bulletin Saturday announcing Mr. Stevens's resignation. He arrived at Ottawa Sunday morning, found the capital in turmoil, saw no one in authority, heard nothing regarding the future of the enquiry. Monday morning he was summoned to the Prime Minister's office. There was practically no discussion, no chance to talk things over. Mr. Bennett picked up a document, handed it to him and said: "Read this and govern yourself accordingly." Kennedy went out, read the order. It named him chairman of the Commission.

It never occurred to him to go back to the premier's office and ask for time to consider the job, nor to protest the fact that he had not been consulted. The new chairman, overwhelmed by the pace of events, found himself a quiet spot and began to think things over. That afternoon he presided at the organization meeting. Being a warm personal friend of Mr. Stevens, he discussed the enquiry briefly with him. Next day he was immersed in fish.

Ontario Farm Boy

What will the outcome be? No one, least of all Chairman Kennedy, can say. But one may judge the future by the past.

Mr. Kennedy's past began 52 years ago on a 100 acre Ontario farm, in the Rideau Lake country, north of Kingston. The village was Westport. His father and mother were of Irish extraction: the family numbered nine.

He grew up a healthy farm boy, proficient at all the chores that farm boys do. Kennedy knows all about cleaning stables, looking after cattle and horses, feeding pigs, hoeing potatoes, cutting corn with a sickle. He knows what it feels like to be on the business end of an old-fashioned churn. The family lived off the land and lived well. Cash income was very small. It came from sale of milk, butter, cattle, pigs (2¼ cents per lb., liveweight in those days) eggs and poultry.

But while there was plenty for all at home and while the boy was deeply attracted to the land, he drew from somewhere an impression that the world was his oyster and that the sooner he got busy opening it the better. He determined to become a lawyer.

Was School Teacher

A lawyer must have education and there was no money at home to cultivate the virginal expanses of young Kennedy's mind. He received primary schooling at the village and later got through the normal course at the Athens High School. These things he did while still living at home and doing his share of the farm work.

Then he struck out for himself. He got a job teaching school at Junetown, in the Brockville district, at $290 per year—a good salary in those days. He lived as cheaply as possible; saved every penny he could. After teaching a year and a half he had accumulated enough money to carry him through first year university. He enrolled at Queen's.

Next spring his problem was acute. He had his first year but he was penniless. Chances of enough during the summer months to return to Queen's in the fall were remote. He went home to Westport feeling that life was pretty much of a dead-end street.

Valet to Cattle

In Westport, by chance, he met a man who owned a ranch at Innisfail, north of Calgary, and intended sending a carload of cattle out there. Shippers are allowed to send a man to look after their cattle and the man can bunk in the colonist car. Kennedy sought the job of tending these cattle on the trip to Alberta. He got it and his pay was a free ride to the prairies with a return ticket to Winnipeg.

Kennedy wanted to go west because it appealed to him in 1904 as a land of promise.

Arrived at Winnipeg, the problem of earning his keep and of advancing his law training remained but he was now in a large and growing city. He tried newspaper work and got a job as cub reporter on the Winnipeg Telegram at $10 per week. He found he could take his university course without attending classes.

Articled as Lawyer

Kennedy was a success as a newspaperman. He was promoted to the best news "beats" in the city, finally became night city editor. But he had to forswear the world of printers' ink and presses and concentrate on law. He got his university degree, articled himself to a law firm, made expenses by writing news stories on space rates, was admitted to the bar in 1909 and chose to begin at once in practice for himself.

The western real estate boom was under way. There was plenty of business going. He did better than pay expenses. Later on two brothers joined him and through the years they have built up a sound practice.

Kennedy has always been a Conservative. He became active in party work shortly after his arrival at Winnipeg. His career was interrupted by the war. He left Canada as a major in an infantry battalion. In England he found there was a surfeit of officers. He volunteered to revert to a lower rank if, by so doing, he could get to France. He was reduced to a lieutenancy and joined the 46th Battalion at the front in May 1917. He remained in France until the close of hostilities and on two occasions was decorated for valor. At Passchendaele he won the Military Cross. In the closing weeks of hostilities he won a bar to the cross.

Nominated for Parliament

He returned in 1919 to Winnipeg and law. Political interests began to become dominant. In 1925 he won the nomination in Winnipeg South Centre from Sanford Evans. He was elected but went down to defeat the following year. His presence in the single session of that Parliament was marked, chiefly, by an open breach with J. S. Woodsworth.

He re-entered Parliament in 1930. During the succeeding four years he has been a hard working, useful member. He has taken little part in the debates on leading issues—the tariff, taxation, monetary policy. He has given unremitting attention to all matters affecting war veterans and he has been active in promoting the local interests of his city.

Public men as a class are personable men. They have to be. Mr. Kennedy is particularly fortunate in possessing an attractive personality, a marked degree of personal charm. Rather ruddy of complexion, with dark hair that is grey-flecked, he is short in stature but sturdily built. He is clean shaven and, as a rule, wears wing collars. In comparison with most of the cabinet ministers he would not be considered overdressed. He does not go in for white edging on the edge of his vests, nor does he incline to boiled shirts. His favorite pastime is riding.

He is an Ontario farm boy who struggled hard to become a successful Winnipeg lawyer.

His Views Not Known

In all this there is very little to indicate what he will do in his new position. He has been a member of the Price Spreads Committee from the beginning but, although constant in attendance, has had very little to say.

This, however, does not prove that he lacks convictions.

With regard to the tariff, Mr. Kennedy has never put himself definitely on record, save by his votes for the Bennett government during the past four sessions. It is probable, however, that he looks askance at our present tariff. A westerner, he may be classed as a "moderate" protectionist who has a very keen regard for export trade. Unless rumor is astray he took issue with the government, very strongly, on the 1931 tariff increase on repair parts for agricultural implements. The increase was abandoned.

Is Individualist

As to the present trend toward codification of industry, it may be regarded as extremely doubtful if Mr. Kennedy views any move toward so-called regimentation with enthusiasm. He is an individualist—as his own career would indicate—and takes this viewpoint instinctively. For this reason, recommendations of a semi-socialist character are not to be expected from his chairmanship.

In the conduct of the enquiry, as he himself remarks, his attitude is essentially judicial. He is a lawyer and while conceding that a Commission ought not to enforce rules of evidence as strictly as does a court of law, he believes that the Commission must give all parties appearing before it a square deal. And naturally, any comment he cares to make will be reserved for official reports to the government.

Neutral in Dispute

So far as the Bennett-Stevens dispute is concerned the new chairman seems to be neutral. He is very friendly with both of them and has been so engrossed with his new work since coming to Ottawa that he actually has not bothered to read the now famous letters.

As to his qualifications to deal with important matters involving agriculture and industry, there may well be a difference of opinion. He is a farm boy and needs no introduction to the problems of the land. Indubitably his sympathies, on this count, will be with farmers: it could scarcely be otherwise. His knowledge of the distribution agencies, departmental and chain stores, the needle trades, manufacturing, has all been gained at second hand. As a commercial lawyer at Winnipeg he has been closely in touch with the wholesale and retail trades. But in a practical sense, about all he knows is what he has observed in an active legal practice and as a member of the old Price Spreads Committee.

He may fairly claim to be disinterested. His acquaintanceship either with so-called Big Business or with laboring people as a class is so limited as scarcely to exist.

What His Job Is

So far as his conduct of the Commission goes, he would consider himself as being bound by the official reference set out in the order-in-council appointing him. The operative clauses of the order read as follows:

"To continue, complete and report on the enquiry into those matters mentioned in the....reference to the Select Special Committee of the House in respect of chain stores, agricultural implements, fish, flour mills and bakeries, canning of fruit and vegetables, and to hear evidence of any person who may be affected by the matters heretofore considered by the said committee, and who may desire to be heard before the Commissioners."

These words mean that the Commission may continue and complete the enquiry into the five matters specifically mentioned.

With regard to the other phases of the Commons enquiry, the Commission is finished unless persons come forward and declare they desire to make representations because of evidence taken by the former committee. In a word the departmental store end of the enquiry is finished so far as the Commission is concerned. So is the probe into the packing industry and the needle trades. The textile enquiry automatically ends.

The only way in which these enquiries can be re-opened is at the request of the heads of the industries.

It is on this basis that the new chairman will proceed with the investigation. And it is his hope to clean up the work in time to have the final report ready for the cabinet by mid-January at the latest.

Lyall Construction to Pay Another 7.5% to Creditors

From Our Own Correspondent

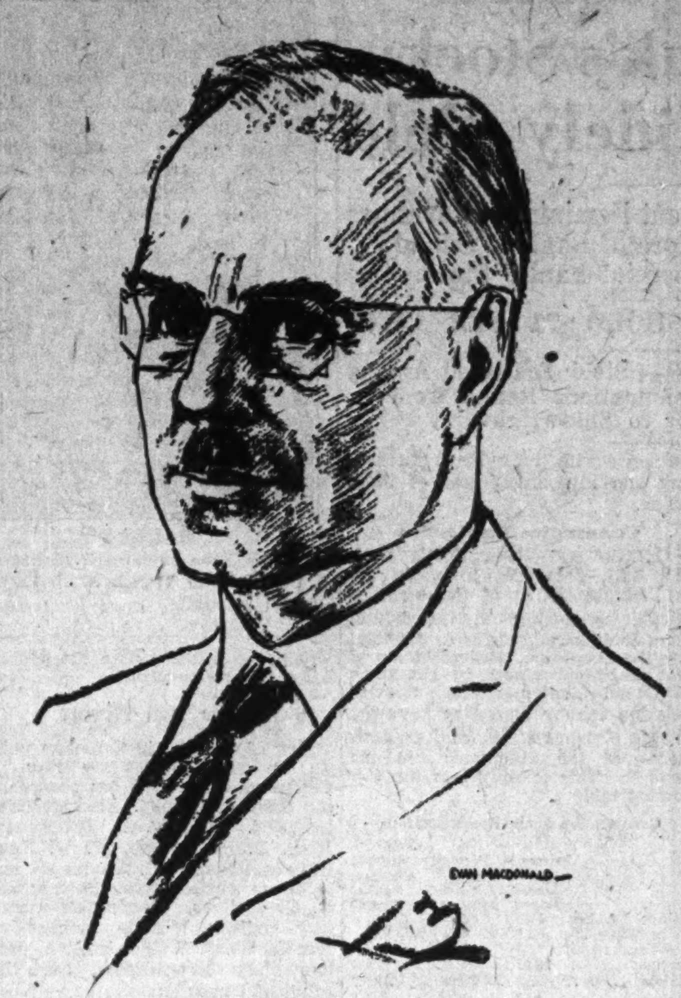
MONTREAL. — Creditors of P. Lyall & Sons Construction Co. (in bankruptcy) will receive an interim dividend of 7½ per cent of their admitted claims some time toward the end of this month. Checks are now being prepared, but before they can be mailed, the court will have to approve of the distribution.

This is the third dividend since the company went into voluntary liquidation toward the end of 1929. The first dividend of 5 per cent was declared and paid in January, 1934. A second interim dividend of the same amount was distributed last April.

It is understood that the liquidator is hopeful of being able to pay a fourth dividend of 10 per cent by next March and that with the final winding up of the estate the creditors will receive in the neighborhood of 30 per cent of their claims.

A goodly proportion of the remaining assets of the bankrupt company are represented by real estate, which it is difficult to realize on. There are various matters still awaiting adjustment, and it is expected that a deposit of $200,000 in connection with the Back River power development near Montreal will be released about next February. Interest is accruing on this balance and is being reinvested.

Public Is Still His Boss



—Sketched from life by Evan Macdonald.

FREDERICK A. GABY

After 27 years in the service of Ontario Hydro-Electric Power Commission, Mr. Gaby has joined the Canadian Pacific Railway as assistant to the president.

With Hydro Mr. Gaby was nominally "chief engineer." Actually he was general manager. He leaves Canada's second largest publicly owned enterprise and teams up with the country's largest privately owned enterprise. The change will not be difficult for Mr. Gaby to absorb. It will require no adjustment in his attitude toward his job. For he holds the firm conviction that the administrative and executive heads of an enterprise should be primarily concerned with making it successful and that it should make no difference to them who owns the enterprise. In Hydro, he had 10,000,000 owners and bosses. In C.P.R., he has possibly 100,000 owners and 10,000,000 bosses. In Hydro, he had a job to do and was responsible to the chairman for doing it. In C.P.R., he will have many jobs to do and will again be responsible to the chairman for doing them.

One of those jobs is going to be to run the Seigniory Club. A second is to study competitive forms of transport, which must mean in these days highway transport. A third is to co-operate with the Canadian National Railways in economies.

An Ontario small town boy, Mr. Gaby has been an electrical engineer from almost the birth of the electric industry, being engaged in his first installation work 38 years ago. He was with Hydro practically from its inception.

Canadian Industries Open Port Arthur Sales Office

From Our Own Correspondent

MONTREAL. — Canadian Industries Ltd., Explosives Division, has reopened its sales office in Port Arthur in order to serve more effectively the mining industry in the vicinity of Long Lac and Sturgeon River and the territory immediately to the east and west of the twin cities. The Port Arthur office was closed approximately 20 years ago, but the revival of mining activity in this territory has caused Canadian Industries to make this decision.

Conservation of Principal

Our services provide conservation of principal and reasonable but regular income to beneficiaries.

Let us serve you and your family.

A Conservative Trust Company for the Public's Service.

Crown Trust Company
393 St. James Street, Montreal

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LIMITED
FINANCIAL AGENTS
Appraisers and Valuators
Estates Managed
CALGARY CANADA

JOHN D. GILMOUR
(B.Sc.A., B.Sc.F., Toronto)
CONSULTING
FOREST ENGINEER
QUEBEC, P.Q.
Member Executive, Pacific Logging Congress; Member of Canadian Society Forest Engineers, Quebec Association of Forest Engineers, Senior Member Society of American Foresters.

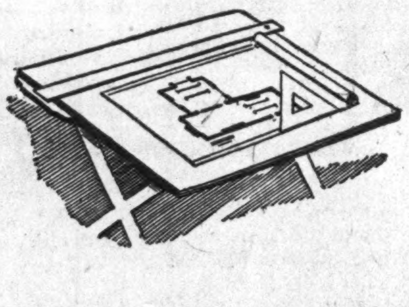
Long experience in the organization and practical management of large logging operations, and as a Director of newsprint companies. Timberland Valuations, Reports, Estimates of logging costs, with detailed operating plans. New organization, or Re-organization, of logging Depts. Flumes, chutes, tractor operations. Advice on practical new methods of logging.

SAFER THAN "BURIED TREASURE"
but
ALWAYS ON HAND

Do you really *know* how little it costs to keep safe those documents of one kind and another that can be so easily lost, stolen or destroyed, and how readily you may have access to your Safety Deposit Box in our Bank vaults? We would appreciate your interest and be glad to explain this service to you.

IMPERIAL BANK OF CANADA
HEAD OFFICE - TORONTO
Capital and Reserve $15,000,000

BRANCHES THROUGHOUT CANADA



This Interesting News

MAY CHANGE YOUR PLANS

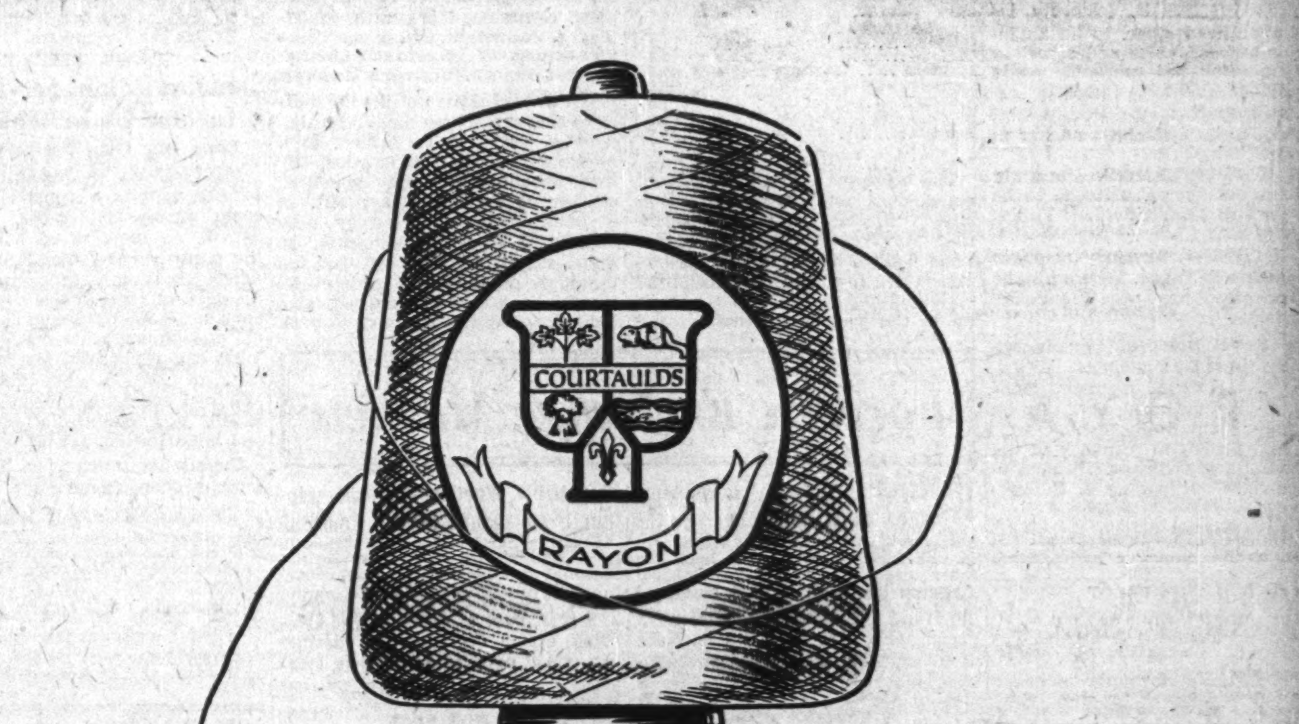
Perhaps you have put off buying more life insurance until conditions improve. Well, conditions *have* improved... as regards life insurance.

The Great-West Life has come forward with new policies, policy revisions and reduced rates to meet the needs of the changing times. Highlights include:

- *NEW* - lowered rates on all profit-sharing policies
- *NEW* - Preferred Whole Life Participating Policy
- *NEW* - Endowment at 85
- *NEW* - One Year Renewable Term Contract
- *NEW* - Children's Policies
- *NEW* - Pension Plans
- *NEW* - Family Protection Feature
- *NEW* - policy contract forms including every modern feature of profit-sharing and settlement options, loan and surrender provisions, etc.

Get the details regarding these modernized Great-West Life policies and provisions. Write to our nearest Branch Office or to Head Office, Winnipeg.

THE
GREAT-WEST LIFE
ASSURANCE COMPANY



RAYON...Asset for the Future

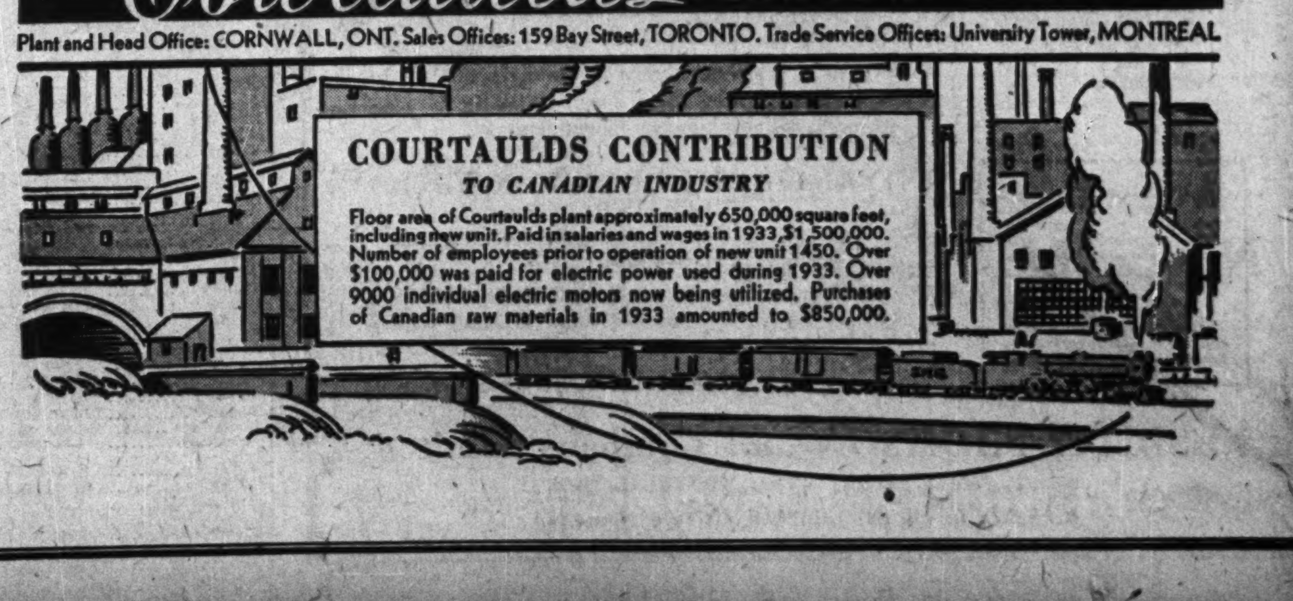
RANKED high among the assets of a nation are her industries. Since 1925 there has been born to Canada a vital new industry; one which has progressed through the bad years and the good; one which promises much for the future... Rayon.

Few manufacturing enterprises in recent years have been as important in their significance to Canada's industrial and commercial structure as the birth—growth—and development of rayon as a purely Canadian industry. Courtaulds (Canada) Limited founded its plant for the manufacture of rayon yarns at Cornwall, Ontario, in 1925. Since 1929, two new $2,500,000 additions to the original plant have been erected—one was opened in 1930—the other this year.

Behind this story of Courtaulds growth and their contribution to almost every phase of Canadian industrial life—is the story of rayon's ascendancy to first importance among textiles.

Rayon, which only a few years ago was regarded as a "substitute" and associated with cheap bargain merchandise, stands today as a textile in its own right ... and as the only all-Canadian textile. So, Courtaulds review their record as a Canadian industry.

Courtaulds (CANADA) LIMITED
Plant and Head Office: CORNWALL, ONT. Sales Offices: 159 Bay Street, TORONTO. Trade Service Offices: University Tower, MONTREAL



COURTAULDS CONTRIBUTION
TO CANADIAN INDUSTRY
Floor area of Courtaulds plant approximately 650,000 square feet, including new unit. Paid in salaries and wages in 1933, $1,500,000. Number of employees prior to operation of new unit 1450. Over $100,000 was paid for electric power used during 1933. Over 9000 individual electric motors now being utilized. Purchases of Canadian raw materials in 1933 amounted to $850,000.

Bank Chat on Current Topics

Bankers' Cocktails

COCKTAIL parties are not just the sort of diversion usually provided by banks for their friends and acquaintances; at least not in Canada. So it was with great interest that we heard recently of a large cocktail party given by the Chase National Bank of New York at the recent annual convention of the American Bankers Association at Washington. It is estimated that over 1,000 attended this cocktail party. Getting statistical, it would appear that at least 80 American "quart" bottles of cocktails would be dispensed, if each visitor drank only one cocktail.

This, however, was not the only event of its kind at the convention. And strange as it may seem, at least one of the large Canadian banks entertained in a quietly dignified way in the cocktail manner. Apparently it was a case of "when in Rome." There's this to be said in favor of such entertainments. They allow the bankers to mix freely.

* * *

Prize "Sucker List"

LISTS of the thousands of shareholders of the Bank of Canada having been circulated from coast to coast, the names promise to become useful to solicitors of all kinds of business.

The bank's list of shareholders will be used for a "sucker list" for promoters of securities. And those whose names appear on the list need not be surprised to receive circulars asking them to buy and subscribe to many worthy and unworthy things.

* * *

Good Collateral

WE RECALL a peculiar instance of lack of knowledge on the part of a Canadian bank manager who died recently. He was asked for a loan of $1,200, and declined to advance the money on 10 shares of Consolidated Mining & Smelting Co. at that time worth about $200 a share.

The would-be borrower also held $2,000 in bonds of the Snider Packing Co. of New York state, and the banker said he would be willing to lend the $1,200 on these bonds. His reasoning was that "there must be $2,000 of assets behind the bonds." What he did not know was that the bonds were worth only $900 at market prices. At that time, however, the really intangible nature of "assets" behind some bonds had not become so widely known as it has since the depression deepened.

Staff Changes

The Canadian Bank of Commerce announces the following staff changes:

R. K. McCARTHY, formerly manager at Queen & Spadina, Toronto, to be supervisor of staff at head office to replace C. L. FOSTER, staff inspector and secretary of the pension fund and guarantee fund, who is retiring on pension soon.

A. K. HOUSTON, formerly inspector at head office, to be an inspector at head office and secretary of the pension and guarantee funds.

J. SOMERVILLE, formerly assistant inspector at head office, Toronto, to be assistant manager at Ottawa.

A. H. WATERMAN, formerly assistant manager at Ottawa, to be manager at Adelaide & Yonge, Toronto.

R. H. SHORT, formerly manager at Adelaide & Yonge, Toronto, to be manager at Bay & Richmond, Toronto.

The Royal Bank of Canada announces these staff changes:

W. M. GEORGE, formerly manager at Wallaceburg, Ont., to be manager at Dunnville, Ont.

W. S. FENWICK, formerly of the supervisor's department, Toronto, to be manager at Spadina & College, Toronto.

J. O. SPENCE, formerly at Toronto, to be manager at Clifford, Ont.

D. H. MILLS, formerly manager Spadina & College, Toronto, to be manager at Danforth & Dawes, Toronto.

R. F. GRANT, formerly manager Danforth & Dawes, Toronto, to be manager at Barrie, Ont.

A. M. RAMSAY, formerly inspector on the Halifax supervisor's staff, to be manager at Sherbrooke, Que.

Barclays Bank (Canada) announces the appointment of J. MORGAN as manager of the Toronto branch.

Obituary

William J. Sheppard, of Coldwater, Ont., died in Florida on Nov. 4 in his 83rd year. He was a director of the Royal Bank of Canada and McIntyre Porcupine Gold Mines at the time of his death and was formerly a director of Trusts and Guarantee Co. and at one time president and general manager of the former Georgian Bay Lumber Co.

Women May Control Central Bank's Stock; Shares Widely Held

Initial Subscribers 36.9 Per Cent Feminine—Maritimes Hold Less and Prairies More of Bank of Canada Shares Than of Commercial Banks' Stock

QUEBEC AND ONTARIO HOLD 71 PER CENT

Average Holding is 8.2 Shares — Stock Scattered Among 12,200 Shareholders — Occupations Range from Lieutenant-Governor to Shipwright

Bank of Canada shares are well scattered among all classes of Canadians. There are some 12,200 holders of the 100,000 shares, with an average holding of 8.2 shares.

And 36.9 per cent of the shareholders are women.

Residents of Ontario and Quebec hold over 71 per cent of the stock.

Residents of the Maritime Provinces hold less, and Canadians in the prairie provinces hold more of the central bank's shares than of shares in commercial banks.

In both the prairie provinces and in the Maritimes the holdings of Bank of Canada shares are less in proportion to the total capital than the population of these areas is to the Dominion's population.

These are some of the outstanding features of a special analysis by The Financial Post of the recently published list of shareholders of the Bank of Canada.

Women Prominent

A special check of nearly 900 shareholders, from pages selected at random, reveals that 327 of these are women, but that they held only about 25 per cent of the stock. Even if they were not in the market for large blocks, the ladies displayed enthusiasm in applying for shares. This bears out the investigation of holdings of stock in the commercial banks made by The Financial Post earlier this year in which it was revealed that women shareholders actually outnumbered the men but only held about one third of the stock.

In the case of the commercial banks, it was found that women's holdings had been growing through bequests. It is possible that the same trend may develop in the Bank of Canada holdings, and that ultimately women will have the deciding vote in electing the men (or women) as directors (directresses) who will guide Canada's monetary policies. This is a possible development that was not discussed by the wise men of Parliament when control of the bank was being debated. The bank may eventually have a "governess."

Quebec, Ontario Dominate

Analysis of shareholdings by provinces shows that Quebec and Ontario residents applied for, and received allotments of, the lion's share of the bank stock. This is shown below:

Distribution of Bank of Canada Shares

Province:	Shares No.	Shareholders No.	Average holding Shs.
Prince Ed. Island	601	64	9.4
Nova Scotia	5,109	580	8.8
New Brunswick	2,944	330	8.9
Quebec	25,962	3,340	7.8
Ontario	45,707	5,330	8.6
Manitoba	5,931	770	7.7
Saskatchewan	4,181	640	6.5
Alberta	3,116	410	7.6
Br. Columbia	6,385	730	8.7
Yukon	64	6	10.7
Total	100,000	12,200	8.2

The average holding, it will be noted, does not vary greatly. It is highest in the Yukon and Northwest Territories and in Prince Edward Island, from which applications were few, but for substantial individual amounts. It is lowest in the prairie provinces in accordance with the reduced purchasing and investing power of those areas.

Comparative Distribution

Ontario and Nova Scotia were the only provinces to apply for and obtain shares of the bank in greater proportion to the capital than their population is to the total for the Dominion. But residents of the prairie provinces bought Bank of Canada shares in much heavier relative volume than they have the shares of commercial banks. Residents of the Maritimes did the reverse. This is shown in the following table:

Comparative Share Representation

	Percentage of shares allotted	Percentage of total population	Percent. distrib. 4 comm. banks' shares
Prince Ed. I'd.	0.60	0.85	
Nova Scotia	5.11	4.94	16.3
New Brunswick	2.94	3.93	
Quebec	25.96	27.71	32.5
Ontario	45.71	33.08	22.7
Manitoba	5.93	6.75	1.7
Saskatchewan	4.18	8.88	0.4
Alberta	3.12	7.05	0.7
Br. Columbia	6.39	6.70	1.6
Yukon	0.06	0.11	...
Total	100.00	100.00	75.9

Shares Well Scattered

The way in which the bank's shares have been scattered throughout Canada is illustrated in the first and last names in the 196-page book required to list the shareholders. First name in the list is that of George Thomas Abbott, Union Road, P.E.I., farmer, who was allotted 15 shares. The last name is that of Dr. Jonas Johanesson, Fort Smith, N.W.T., physician, who got 10 shares.

Between the names of Mr. Abbott and Dr. Johanesson are those of Canadians in every walk of life. There is George D. Deblois, Government House, Charlottetown, P.E.I., allotted 15 shares, whose occupation is the unusual one of lieutenant-governor; and there is Marion E. Deblois, at the same address, and also with 15 shares, who gives her occupation as housewife, of which there are a great many listed. Among the one-share holders may be found these occupations: student, carpenter, stenographer and so on.

Diverse Occupations

Apparently you never can tell who will be in the market for bank shares. In addition to that of lieutenant-governor, these occupations are listed: R.C.M.P. corporal, taxi-driver, artist, chef-steward, clergyman, parish priest, siderographer, constable, blacksmith, metallurgist, shipwright, and so on. There are legions of accountants, housewives, salesmen, farmers and clerks.

The diversification of the list indicates that the shares have been distributed so as to be subject to a minimum of "stag" operations by those who subscribe only to sell as quickly as possible at a profit. It is believed that there may ultimately be fewer shareholders, as initial subscribers drop out. But the thorough manner in which the shares have been scattered also indicates that the Bank of Canada will be an institution of the people for many, many years.

Public Men Missing

Few of the men in Canadian public life whose names are often in the news subscribed for shares of the Bank of Canada. Premier Bennett, Rt. Hon. W. L. MacKenzie King, H. H. Stevens, W. W. Kennedy and Hon. E. N. Rhodes are not listed as shareholders. Neither are G. G. McGeer, Vancouver's monetary radical; William Irvine, Ian MacKenzie, J. S. Woodsworth, parliamentary left-wingers; nor the provincial premiers.

Many of Canada's foremost corporation executives are missing from the list because they are bank directors. Bank officials are not on the list because the Bank of Canada Act prohibits them from holding the bank's shares.

Some Financial Names

Investment bankers are listed in numbers. But neither R. W. Gouinlock, president of the Investment Dealers' Association of Canada, nor Lyall Fraser, president of the B. C. Bond Dealers' Association, hold shares. W. C. Clark, the Dominion's deputy minister of finance, has seven shares. R. C. Matthews, Minister of National Revenue, holds 15 shares, and his brother, Albert Matthews, Toronto investment dealer, holds a like number. J. H. Gundy, president of Wood, Gundy & Co., holds 15 shares. R. A. Daly of the investment firm of the same name, subscribed for and got one share. Hon. Dr. Herbert A. Bruce, Ontario's lieutenant-governor, holds 15 shares.

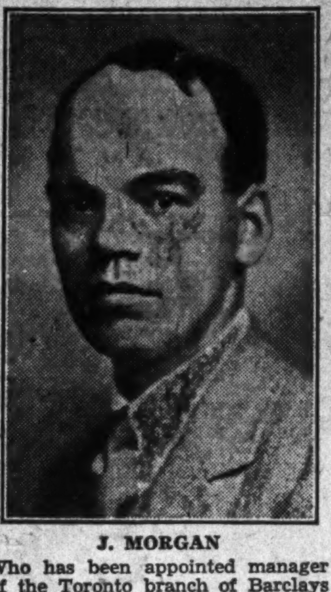
Rank and File Dominant

Names of rank and file citizens of the Dominion, however, dominate the list. There are numerous cases of man and wife subscriptions. This is a perfectly legal way of getting extra shares in the allotment. The status of the following entry, however, is puzzling:

Freda Marie Smith, Ferintosh, Alta., housewife, 7;

Freda M. Smith, Ferintosh, Alta., postmistress, 7.

Toronto Manager



J. MORGAN

Who has been appointed manager of the Toronto branch of Barclays Bank (Canada).

Foreign Exchange Markets

FOREIGN exchange movements have been indefinite in the past week, and currencies are nearly as unsettled as they have been for three years. The French political situation has resulted in a slump of the franc and exports of gold from France. So severe is the pressure of deflation in gold standard countries that balancing of budgets is coming to be regarded as highly improbable. Whether they can maintain the standard is still doubtful.

Sterling has been strong although it is still in its period of normal seasonal weakness. Apparently funds are still sticking to London as a safe place of deposit. The Canadian dollar remains firm despite low wheat exports, possibly in sympathy with sterling which it has been following very closely.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Oct. 30	Oct. 31	Nov. 1	Nov. 2	Nov. 3	Nov. 5
U. S. dollar, High	.5906	.97¾	.97 13/16	.97 25/32	.97 25/32	.97 13/16	.97¾
Low	.5906	.97 11/16	.97 21/32	.97¾	.97¾	.97 21/32	.97 11/16
1933 High	1.000	1.00¾	1.00⅝	1.00 1/16	1.00⅞	1.00½	1.00⅜
Low	1.000	1.00 1/16	1.00⅜	1.00 1/16	1.00 1/16	1.00 1/16	1.00 1/16
U. K. pound	4.8665	4.87	4.86¾	4.87	4.87¼	4.87	4.87½
Argentina	.4246	.2542	.2518	.2524	.2543	.2537	.2540
Australia	4.8665	3.8784	3.8729	3.8779	3.8761	.38751	3.8769
Austria	.1407	.1857	.1857	.1857	.1858	.1858	.1851
Belgium	.1392	.2278	.2278	.2279	.2281	.2282	.2282
Brazil	.1963	.0718	.0718	.0718	.0719	.0714	.0718
Czechoslovakia	.0296	.0409	.0408	.0409	.0409½	.0409	.0408½
Denmark	.2680	.2178	.2174	.2177	.2177	.2177	.2177
France	.0392	.0644	.0644	.0644	.0644½	.0644	.0643
Germany	.2382	.3935	.3936	.3934	.3937	.3936	.3929
Greece	.0130	.0092¾	.0093	.0093	.0093	.0092¼	.0092½
Holland	.4020	.6615	.6614	.6614	.6619	.6618	.6606
Hungary	.1749	.2937	.2937	.2938	.2934	.2939	.2935
India	.3650	.3704	.3704	.3705	.3697	.3707	.3714
Italy	.0526	.0836	.0836	.0836	.0836	.0836	.0834
Japan	.4985	.2873	.2873	.2874	.2846	.2865	.2867
Jugoslavia	.1929	.0223	.0223	.0223	.0224	.0223	.0223
New Zealand	4.8665	3.8939	3.8883	3.8935	3.8915	3.8905	3.8924
Norway	.2680	.2451	.2448	.2450	.2450	.2445	.2450
Poland	.1122	.1869	.1870	.1870	.1870	.1870	.1858
South Africa	4.8666	4.8655	4.8585	4.8649	4.8625	4.8612	4.8636
Spain	.1929	.1336	.1335	.1335	.1336	.1336	.1333
Sweden	.2680	.2516	.2512	.2512	.2515	.2509	.2514
Switzerland	.1930	.3186	.3185	.3184	.3185	.3168	.3178
Hong Kong	.5422	3958	.3958	.3960	.4015	.4000	.3985

An Attractive Investment
Giving an Income Return of 6.52%

CARRYING a prior preference as to dividends up to 6% and affording thereafter the opportunity of sharing in increased earnings, we recommend

INTERNATIONAL BRONZE POWDERS
LIMITED
6% Cumulative Participating Preferred Stock
(Non-callable)

After the Common shares have received dividends of $1.50 per share in any one year, the Preferred shares participate equally with Common shares in any further dividends paid in that year.

Price: $23.00 per share to yield 6.52%

The uses for bronze and aluminum powders in the decorative and graphic arts, in the manufacture of package and metal products, and in the paint industry, is practically unlimited.

• • •

The steadily-expanding business of International Bronze Powders Limited is world-wide in scope.

NESBITT, THOMSON and Company Limited
355 ST. JAMES STREET WEST, MONTREAL, QUE.
Branches in all the principal cities of Canada
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Jamaica Public Service Income Up in September

From Our Own Correspondent

MONTREAL. — Jamaica Public Service reports a consolidated income during September, 1934, of $65,078, an increase of $2,087 over the corresponding month last year. After taking care of operating expenses and taxes, there was a balance of $26,208 to take care of interest and amortization charges. The latter required $9,026, leaving a balance of $17,181. For September, 1933, net operating revenue totalled $25,183 and balance after interest and amortization, $15,482.

Cumulative returns for the twelve months ended September 30, 1934, show gross earnings of $823,962 and net operating revenue of $334,798. Interest and amortization charges totalled $110,475, leaving a balance of $244,322. For the preceding twelve months period Jamaica Public Service had a gross revenue of $793,190; net operating revenue of $326,864; and a balance of $213,688.

Weekly Bank Clearings

	Nov. 1, 1934	Change year ago	Oct. 25, 1934
	$	%	$
Halifax	1,902,564	—0.4	2,235,628
Saint John	1,530,245	—3.7	1,821,770
Moncton	657,266	+10.0	829,380
Sherbrooke	355,758	—19.4	487,066
Quebec	3,029,318	—11.9	3,637,899
Montreal	84,622,262	—0.3	93,004,892
Ottawa	3,970,304	+5.6	4,584,701
Kingston	457,817	—16.0	538,314
Peterborough	558,856	—8.4	553,852
Toronto	114,550,027	—6.6	122,957,707
Hamilton	3,424,649	—10.9	3,876,574
Kitchener	1,107,523	+8.6	1,133,720
Brantford	611,048	—7.4	737,511
London	2,439,247	—1.5	2,666,196
Chatham	461,745	+5.8	412,450
Windsor	1,727,234	—16.4	1,876,352
Sarnia	345,268	+0.6	407,202
Sudbury	783,548	+24.6	704,124
Fort William	664,039	+7.5	660,382
Winnipeg	46,718,805	—6.5	50,494,226
Brandon	299,605	—11.6	321,196
Regina	4,138,385	—7.8	5,238,653
Moose Jaw	721,592	+36.3	528,364
Saskatoon	1,753,421	+15.9	1,656,497
Prince Albert	327,600	+16.3	312,925
Edmonton	3,929,501	+8.4	3,605,908
Calgary	6,085,324	+14.5	6,091,753
Medicine Hat	231,544	+24.9	269,540
Lethbridge	427,372	+16.3	473,653
N. W'minster	575,841	+23.1	441,370
Vancouver	14,885,578	—3.6	14,570,073
Victoria	1,355,595	—7.2	1,322,301

Monthly Bank Clearings

	Oct., 1933	Oct., 1934
Halifax	$ 8,789,411	$ 10,025,636
Saint John	6,363,756	7,827,646
Moncton	2,761,920	3,243,181
Sherbrooke	2,554,939	2,498,133
Quebec	16,132,899	17,755,487
Montreal	378,876,813	442,119,319
Ottawa	17,303,569	20,720,158
Kingston	2,344,290	2,485,171
Peterborough	2,497,879	2,640,818
Toronto	466,610,934	528,422,913
Hamilton	15,761,249	19,206,678
Kitchener	4,088,332	4,940,680
Brantford	3,516,011	3,464,110
London	10,816,918	12,539,799
Chatham	1,824,627	1,990,643
Windsor	8,229,174	8,692,621
Sarnia	1,554,706	1,739,637
Sudbury	2,429,865	3,378,095
Fort William	2,366,736	3,255,107
Winnipeg	235,289,626	380,769,935
Brandon	1,484,375	1,599,360
Regina	19,681,823	23,803,910
Moose Jaw	2,429,580	2,383,359
Saskatoon	6,044,056	7,530,109
Prince Albert	1,210,427	1,545,237
Edmonton	15,169,804	17,137,098
Calgary	23,209,588	28,174,909
Medicine Hat	1,031,701	1,198,834
Lethbridge	1,745,264	2,132,387
N. Westminster	1,943,717	2,312,551
Vancouver	60,356,779	69,575,533
Victoria	6,473,106	5,590,841

Electricity Consumption Establishing Record Pace

Electric Boilers Account for 35.8 Per Cent of Increase — Exports 9.25 Per Cent and Domestic and General 55 Per Cent

From Our Own Correspondent

MONTREAL. — Canadian central electric stations will produce more energy this year than ever before in the history of the industry.

Rather than following the trend of business, which has shown a nominal improvement since the beginning of the year, the power industry has increased production on a scale which is establishing its own trend.

For the first nine months of 1934 the central electric stations generated 15,269,207,000 kw.h. of energy. This is in contrast with 12,319,304,000 kw.h. for the corresponding period a year ago.

Gains 24 Per Cent

Expressed in a percentage the 2,949,903,000 kw.h. gain in generation this year to date compared with 1933, represents an advance of roughly 24 per cent.

A breakdown of the Dominion Bureau of Statistics returns for the central station industry brings to light the interesting fact that the largest contributing factor in the improvement in the power business this year is accounted for by increased domestic and industrial demand.

Energy consumption in this country is reported in three general classifications. The main division covers domestic, commercial and industrial.

For the first nine months of 1934 general consumption amounted to 10,748,463,000 kw.h. This compares with 9,125,783,000 kwh. for the same period last year, an increase of 1,622,680,000 kw.h. The latter is equivalent to 55 per cent of the increased consumption reported by the industry.

Export demand for Canadian energy has shown an improvement this year, as witnessed by the fact that between January and September exports aggregated 931,455,000 kw.h., as against 656,311,000 kw.h. during the same months of 1933. This increase of 275,144,000 kwh. is equivalent to 9.25 per cent of the general increase.

The use of electric boilers in Canada for steam has been developed at a rapid rate in the past few years. While electricity has long been used for this purpose, it did not become general until the power companies found themselves with an excess supply which could either be wasted or sold at a price to compete with coal for the generation of steam. Rather than waste the energy the power companies, more particularly in Quebec Province, encouraged and stimulated the installation of electric boilers.

The results of this campaign in the past three years have been the feature of power marketing in the Dominion. The percentage of secondary power sold for steam purposes has been expanding rapidly and at present approximately one-third of all the power produced in the country is diverted for delivery to electric boilers.

In the first nine months of 1934 electric boilers used 3,589,289,000 kw.h. of electric energy. This contrasts with 2,537,210,000 kw.h. for the same period last year, a gain of 1,052,079,000 kw.h. The latter represents 35.8 per cent of the increase in consumption as reported by the industry as a whole.

Following is a table showing the distribution of kilowatt hour consumption by the three main divisions for the first nine months of 1934 and 1933, respectively:

(Thousands of Kilowatt Hours)

	1934	1933
General	10,748,463	9,125,783
Electric boilers	3,589,289	2,537,210
Exports	931,455	656,311
Total	15,269,207	12,319,304

LABOR UNIONS AND RAILWAYS AGREE ON WAGE

Upward Revision for 1935 Outcome of Many Conferences

From Our Own Correspondent

MONTREAL—An upward revision in the wage scale for 1935 has been agreed upon by 16 railway labor organizations and the Canadian National and Canadian Pacific Railways.

Employees are at present under a 15 per cent deduction from basic rates. This rate continues until the end of the year, when the general scale of compensation will be revised so that the deductions will be 12 per cent instead of 15, and on May 1, a further revision will be made to 10 per cent.

The agreement covers engineers, firemen, conductors, trainmen and yardmen, railway and commercial telegraphers, maintenance of way employees, federated trades and shop employees and signal maintainers on both roads, and clerks, freight handlers and station employees.

There is an exception for some of the shop employees who are working on reduced time basis by which such employees' deduction of 10 per cent is reduced by drops of three per cent and two per cent on January 1 and May 1, respectively.

Negotiations Renewed

Discussions have been going on in Montreal for several weeks between representatives of the union and the railways, as the last agreement covering wage rates terminated on October 31. Following an award by a board of conciliation the men accepted a 10 per cent reduction for a term of one year to end February 1, 1933. In January, 1933, the railways served notice of a 20 per cent reduction. Many meetings were called and the case was referred to a board of conciliation after protracted discussion. The board found in favor of the companies and the men asked the intervention of the Minister of Labor and the Minister of Railways, also taking a strike ballot of their membership in August. The Prime Minister intervened and the companies and employees compromised on a 15 per cent pay cut for a year to October 31. Over the past week the negotiations were successfully concluded on the basis outlined.

Public Utility Earnings

Jamaica Public Service

	1934	1933	Increase
Sept.:	$	$	$
Gross earn.	65,079	62,991	2,088
Net earn.	26,208	25,184	1,024
Surplus after charges	17,181	15,482	1,699
9 Mos. End. Sept. 30:			
Gross earn.	608,843	587,140	21,703
Net earn.	241,075	233,383	7,692
Surplus after charges	158,913	148,083	10,830

* Decrease.

Barcelona Traction

Sept.:	1934 Pesetas	1933 Pesetas	Increase Pesetas
Gross earn.	9,437,489	8,966,671	470,818
Oper. exps.	3,409,709	3,330,099	79,610
Net earn.	6,027,780	5,636,572	391,208
9 Mos. End. Sept. 30:			
Gross earn.	86,081,242	83,515,079	2,566,163
Oper. exps.	31,049,534	28,884,089	2,165,445
Net earn.	55,031,708	54,630,990	400,718

Twin City Rapid Transit

3 Mos. End. Sept. 30:	1934 $	1933 $	Increase %
Gross rev.	1,859,836	1,807,791	2.88
Oper. exp.	1,481,022	1,419,817	4.31
Net rev.	378,814	387,974	*2.36
Fixed chgs. & taxes	542,464	478,230	13.43
Net income	†163,650	†90,256	...
9 Mos. End. Sept. 30:			
Gross rev.	6,269,639	5,965,478	5.10
Oper. exp.	4,538,888	4,705,946	*3.55
Net rev.	1,730,751	1,259,532	37.41
Fixed chgs. & taxes	1,555,414	1,411,271	10.21
Net income	175,337	†151,739	...

* Decrease. † Loss.

Manitoba Power Co. Records Revenue Gain

From Our Own Correspondent

MONTREAL. — Manitoba Power Co., subsidiary of Winnipeg Electric Co., reports an improvement in earning power for last September compared with the same month a year ago. Gross revenue totalled $106,734, as against $103,213 in September 1933. There was a drop in operating expenses, leaving net earnings at $82,759 compared with $78,436.

This improvement is reflected in the statement for the first nine months of 1934, which shows a gross income of $952,331, expenses of $207,564, and a net income of $744,767. For the same period in 1933 gross revenue totalled $924,203; expenses $205,844; and net $718,359.

Reinvest November Funds
at 3% to 6%

To assist in the reinvestment of November funds, our November Review and Bond List offers a diversified list of Canadian Government and Corporation Bonds, which combine sound security with substantial interest return. Bonds at prices to yield from 3% to 6% are included.

The Review comments on Canada's refunding loans, and surveys factors in the current commercial and financial situation.

Copy of our November Review and Bond List gladly forwarded upon request.

Wood, Gundy & Company
Limited
Toronto — 36 King Street West — Vancouver
Montreal — Toronto — New York
Winnipeg — Phone: Elgin 4321 — London, Eng.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Beaupré, Que. — Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. — Iroquois Falls, Ont.
Espanola, Ont. — Smooth Rock Falls, Ont.
Pine Falls, Man. — Fort William, Ont.
Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

National Steel Car
Corporation Limited
Builders of Passenger Cars — Freight Cars — Street Cars — Air Dump and Industrial Cars of all descriptions. Automobile Chassis Frames, Woodwork and Parts — Steel Pressings — Forgings — Drop Forgings.
HAMILTON, ONTARIO, CANADA
621 St. James Street, MONTREAL, QUE.

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News of Investment Markets

BONDS IMPROVE; T. & N. O. REJECTS SYNDICATE BIDS

Bond Prices Advance on Broad Front; Toronto Asks Tenders

Canadian bond prices moved upward in the week ended Nov. 6. Gilt-edged government issues were fractionally higher. Western provincial bonds advanced as much as a full point. Corporation issues showed a broad group of fractional advances.

The Temiskaming & Northern Ontario Ry. Commission rejected syndicate bids for its proposed issues of $7,500,000 of 3½ per cent, Ontario-guaranteed 20-year debentures. It was the second time that bids for this issue were refused. One bid was 91.17 for part of the bonds and for an option at the same price on the remainder. Another bid of 89.50 for the whole issue was also rejected. The bases were 4.15 and 4.28 per cent.

Comparison of Prices

Comparison of the bid bases was made with the cost basis of 2.97 per cent obtained on a short-term Ontario issue last August. Bond dealers point out that the issues are not comparable because of the long term of the T. & N. O. issue and the fact that the bonds sell slowly in comparison with straight Ontario's.

The city of Toronto has called for tenders on $4,098,000 of 3½ per cent serial debentures. The city is expected to make a saving in interest by having kept out of the market so far this year.

Movements of corporation and provincial bonds in the past week are shown on page 12.

The trend of gilt-edged bonds is shown below:

Average Yield and Price for Seven High Grade Canadian Bonds

1934	Yield %	Price $	1933	Yield %	Price $
Nov. 6	3.769	110.56	Nov. 6	4.423	103.73
Nov. 5	3.793	110.47	Nov. 4	4.421	103.75
Nov. 3	3.807	110.31	Nov. 3	4.421	103.75
Nov. 2	3.807	110.31	Nov. 2	4.422	103.70
Nov. 1	3.807	110.30	Nov. 1	4.422	103.55
Oct. 31	3.807	110.30	Oct. 31	4.420	103.51
Oct. 30	3.820	110.20	Oct. 30	4.421	103.50
Oct. 23	3.784	110.57	Oct. 23	4.419	103.68
Oct. 16	3.834	110.04	Oct. 16	4.420	103.71
Sept. 29	3.814	110.32	Sept. 30	4.459	103.34
Aug. 31	3.740	111.03	Aug. 31	4.359	104.59

TORONTO TAXES 74% COLLECTED TO OCTOBER 31

City Invites Tenders on $4,098,000 of 3½% Debentures

In calling for tenders early this week for $4,098,000 of 3½ per cent installment debentures, Finance Commissioner George Wilson of Toronto issued a statement showing that the city had collected 73.99 per cent of its total current levy, including 89.24 per cent of the business and income taxes up to Oct. 31.

Tenders for the debentures will be received up to noon, Nov. 14. The bonds are to be issued, $1,400,000 maturing serially over five years; $569,000 over 10 years; $929,000 over 20 years and $1,200,000 over 30 years. The five year issue is to cover direct relief costs in 1934, and the others are chiefly for works.

Debt $190,568,896

The statement issued with the tender call shows Toronto's gross debt at $190,568,896 at Oct. 31, and the net general debt at $73,334,793, after deducting a net amount of $92,234,103 of revenue - producing debt and $25,000,000 of sinking funds.

Tax collection figures to Oct. 31 follow:

Toronto Tax Collections
10 Mos. to Oct. 31, 1934

	Totals, Jan. 1 $	Coll. to Oct. 31 $	Coll. %
Levy	34,903,843	25,824,912	73.99
Arrears	12,065,416	7,398,849	61.32

Bond Tenders

Nov. 14, County of Haldimand—$35,000, 4 or 4½ per cent, 10-year bonds. H. Arrell, county clerk, Caledonia.

12 o'clock, Nov. 14, Toronto—$4,098,000, 3½ per cent serial installment debentures for various purposes, dated Dec. 1, 1934, maturing 1935-64. Approximate average maturity of the whole 9.77 years. George Wilson, Commissioner of Finance. (See announcement on page 5).

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Northern Elec.	5%	1939	Dec. 1	105
Riordon Pulp‡	6%	1942	Dec. 31	105
Metropolitan Bldg.*	7%	1944	Jan. 15	103½
Rio de Janeiro Trams, 1st mtg.	5%	1935	Jan. 1	...
Harris Abattoir	6%	1947	Jan. 1	103
Toronto Hous.	†5%	1953	Nov. 15	...

Purchase of bonds for sinking fund: ‡$74,600; *$27,000; †$21,500.

Public Utility Earnings

Manitoba Power

	1934 $	1933 $	Increase $
Sept.:			
Gross	106,734	103,213	3,521
Oper. exp.	23,975	24,777	*801
Net earn.	82,759	78,436	4,322
9 Mos. End. Sept. 30:			
Gross	952,331	924,203	28,128
Oper. exp.	207,564	205,844	1,720
Net earn.	744,767	718,359	26,408

*Decrease.

Mexico Tramways

	1934 $	1933 $	Increase $
Sept.:			
Gross earn.	200,512	205,181	*4,669
Oper. exps. & deprec.	258,024	283,924	*25,900
Net earn.	†57,512	†78,743	21,231
9 Mos. End. Sept. 30:			
Gross earn.	1,862,982	2,082,959	*219,977
Oper. exps. & deprec.	2,377,811	2,764,852	*387,041
Net earn.	†514,829	†681,893	167,064

†Deficit. *Decrease.

Investment Notes

Significant Investors' Index Numbers

1926 = 100

No. of Securities:	Iron and steel 17	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 18	Beverages 8	Total industrials 87	Total utilities 20	Total co's. 113
1929-33:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	23.7	44.0	30.5	38.6
Monthly Figures, 1934:										
January	98.1	11.4	74.9	147.0	66.6	122.6	163.6	118.6	53.5	83.8
February	114.6	13.6	77.1	153.7	73.3	128.2	148.5	123.8	58.0	88.7
March	113.6	13.2	77.1	152.2	76.3	129.4	141.8	128.5	58.0	90.3
April	114.9	13.2	75.2	159.4	76.8	134.3	138.0	133.0	58.1	93.4
May	106.9	13.8	74.3	159.0	79.1	129.9	113.8	128.0	56.7	91.1
June	104.7	12.5	74.1	161.9	77.7	128.1	113.5	126.1	54.5	89.8
July	97.8	10.5	72.4	153.8	72.7	123.3	86.7	116.6	50.6	83.1
August	100.7	9.9	73.2	158.0	73.1	125.5	91.3	120.1	51.2	85.9
September	98.8	9.6	72.6	160.2	71.9	123.4	93.8	118.8	50.1	85.7
Weekly Figures, 1934:										
October 4	102.8	9.1	72.0	162.4	71.1	128.2	108.3	121.5	50.2	91.7
October 11	106.0	9.2	72.2	164.3	71.9	129.4	110.6	122.6	49.6	92.1
October 18	108.8	9.6	71.2	171.4	74.9	132.2	111.5	125.6	48.9	93.1
October 21	109.2	9.5	67.9	172.4	74.8	133.0	107.2	125.2	49.0	92.6
November 1	105.4	9.0	66.0	171.0	73.0	130.8	101.6	121.9	47.9	90.2

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Nov. 6	99.55	116.33	83.16
Nov. 5	98.67	116.07	82.96
Nov. 3	98.14	116.30	82.36
Nov. 2	96.16	114.70	81.40
Nov. 1	95.52	112.54	79.35
Oct. 31	95.48	112.62	79.89
Month ago	97.18	124.61	84.05
High, 1934	120.12	135.98	116.57
Low, 1934	86.85	100.90	79.35

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Nov. 6	61.0	56.4	57.9
Nov. 5	60.9	55.7	67.4
Nov. 3	60.5	55.8	57.4
Nov. 2	60.6	54.7	56.7
Nov. 1	60.0	54.7	56.4
Oct. 31	60.6	54.8	56.7
Month ago	61.3	54.7	56.9
High, 1934	72.0	65.2	67.4
Low, 1934	58.0	50.1	53.3

October Industrial Sales Up

TORONTO Stock Exchange industrial trading for October totalled 438,183 shares, as compared with 305,146 in September and 238,797 in October of 1933. Value of combined industrial and mining transactions totalled $23,116,336 as against $20,202,544 in September. Combined share transactions were lower at 14,913,632 shares against 15,715,324 in September.

Gain in share turnover for the month was accompanied by an advance in the value of transactions which at $8,630,408 meant an average value of $19.69 a share against $19.14 a share in September

Of 201 issues appearing on the board for trading, 66 recorded advances and 74 declines.

October's market trend was a seesaw. The Exchange index of 20 representative industrial issues, opened at 95.55, moved up to a high of 101.02 on October 17 and thereafter fell in slow daily gradations to 95.48.

Shares sold and price changes of the ten most active stocks on the industrial section were as follows:

Stock:	Oct.	Sept.	
Nickel	44,724	35,992	off 2¼
Brazil	39,236	19,034	off ⅛
Imp. Oil	33,257	25,658	up ⅞
Ford	25,105	10,698	up 1
Pete.	24,983	16,867	off ⅛
Brew. Corp.	21,869	18,876	off 2½
Walkers	19,496	11,583	off 1⅛
C. P. R.	13,121	6,269	off 1⅞
Loblaw	10,615	5,268	up ⅜
Brew. & D.	10,055	8,220	off .10

Brewing Corp. Makes Offer To Wind Up Budweiser Brew.

Has Already Substantial Acceptances from Preferred Shareholders of Share for Share Offer for Common — Soft Drink Merger Talk Goes On

Increase in both preference and common shares of Brewing Corp. of Canada was made apparent last week. The company applied to the Toronto Stock Exchange to list 18,750 additional preference shares because holders of 7 per cent guaranteed debentures due 1936 had taken advantage of warrants permitting them to buy up to 18,750 preferred shares at $15 a share. At the time the debentures were sold with the warrants attached the preferred stock was selling for $7 or $8 a share but the increase to as high as $32 gave them such a chance of quick profits that all the warrants have been exercised except for 500 shares.

The company also expects to increase its common stock by about 3,000 shares to enable it to wind up the affairs of Budweiser Brewing Co. of Canada, a subsidiary. This company has outstanding $240,000 in 7 per cent non-cumulative preferred stock of $100 par value and 150,000 no par value common shares. One common share of Brewing Corp. is offered for each of the 2,400 shares of preferred stock and one share of Brewing Corp. for each 100 common shares of Budweiser. If all shareholders were to accept the total number of shares involved would be 3,135. The offer, however, is conditional on 75 per cent of the shareholders accepting the offer. Already, The Financial Post is informed, a substantial number of shareholders have accepted the offer.

The preferred shares of Budweiser were issued to former bondholders of the old Quinte Breweries, control of which was obtained by Budweiser. As the latter company was unable to meet interest promptly a reorganization occurred as a result of which Quinte bondholders accepted preferred shares of Budweiser. It has not paid dividends. At the time of making its offer Brewing Corp. held 76,500 shares of common stock of Budweiser, or control even though preferred shares have each a vote. In the present offer the time limit to deposit shares with National Trust Co., Toronto, is set at December 1, but may be extended.

No fractions of common shares of Brewing Corp. will be exchanged for Budweiser but the company will issue non-voting and non-dividend bearing fractional warrants exchangeable for common shares except on fractional basis.

The merger negotiations among Ontario soft drink companies are still continuing. The deal with Orange Crush will not involve Honey Dew as Orange Crush will lose control of that company to A. R. Kaufman who has a suit in court against the company and directors. The agreement now under consideration with Mr. Kaufman provides, however, for 10 per cent of the common stock to be held by Orange Crush after reorganization. The latter company, if shareholders approve on November 1, will give its 70,008 common shares of Honey Dew to a committee.

Montreal Stock Trading Records Seasonal Gain

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange and Montreal Curb Market report aggregate sales of 1,530,104 shares in October. This is in contrast with 1,132,735 shares in September and 1,772,896 shares in October a year ago.

On the Montreal Stock Exchange sales for the month were 255,576 shares compared with 185,204 shares in September and $399,688 shares in October a year ago.

Montreal Curb Market sales amount to 1,274,528 shares, consisting of 1,126,789 shares of mining stocks and 147,739 shares of miscellaneous stocks Curb market sales in September totalled 947,531 shares, made up of 843,923 mining shares and 103,608 miscellaneous shares. For October last year 1,146,157 mining shares and 227,071 miscellaneous shares, a total of 1,373,208 shares, were sold.

Bloor-St. George Realty to Pay Aug. 15, '33, Coupon

Bloor-St. George Realty, Toronto, will pay the coupon due Aug. 15, 1933, on its seven per cent first mortgage bonds on Nov. 15, 1934. This will leave the coupons due Feb. 15 and Aug. 15, 1934, in arrears.

Bondholders have been asked not to present for payment any coupon later than the one dated August 15, 1933. They have been advised that all 1934 taxes and current operating accounts of the company have been paid. The property, it is stated by Stewart Scully Co., underwriters of the bonds, has been well maintained. Occupancy is said to be better than a year ago and rental rates have been increased slightly.

The first mortgage bond issue was outstanding early this year in an amount of $504,900 out of an original issue of $510,000.

Cut Dividend from 7 to 6% on Gordon & Belyea Pfd.

Holders of the seven per cent first preferred shares of Gordon & Belyea recently authorized a reduction in the dividend rate as from Oct. 1, 1934, from seven to six per cent per annum. In accordance with this agreement, the first distribution of 1½ per cent quarterly at the new rate will be made on Jan. 1, 1935.

Dividends on the first preferred shares are 10 per cent in arrears. These arrears will be paid at the full rate of seven per cent as and when earnings warrant it. Preferred shareholders have also approved modifications in the sinking fund. Shareholders were informed at the meeting that the company's business this year is considerably improved over 1933.

Kenneth Creery Heads British Metals Corp.

From Our Own Correspondent

MONTREAL.—Kenneth A. Creery has been appointed president of British Metals Corp. (Canada) in succession to R. Ewart Stavert, who has joined Consolidated Mining and Smelting Co. of Canada as assistant to the president. Mr. Creery joined British Metals Corp. in February, 1925, and had been its secretary-treasurer since 1926.

Nipigon Pulp Mill Reopened by International

From Our Own Correspondent

MONTREAL. — International Paper Co.'s pulp mill at Nipigon, Ont., has resumed operations of its six double wood grinders after being closed down since 1927. The mill has been undergoing repairs and has been reconditioned during the past few months. It is expected that about 75 men will be employed in the plant.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Cost
Carleton County	Nov. 1	Nesbitt, Thompson & Co.	5%	10-ins.	$20,475	103.38	4.33
Gloucester, Ont.	Sept.	Castledine, Poulin & Co. and Fry Mills, Spence & Co.	5½%	10, 15, 20 ins.	49,496	....	....
Moncton, Sch. Comm. N.B.	Nov.	Irving, Brennan & Co., Johnston & Ward, Nesbitt Thompson & Co., W. C. Pitfield & Co.	4%	20-yr.	200,000	95.08	....
Parish of St. Bernard, Shawinigan Falls	Oct.	Lucien Cote	5%	1936-49	160,000	*100	....

* Offering price.

Silver "Straddles" Offer Investors High Return

Dealing in Futures Nets Big Yield On Short-term Investment

From Our Own Correspondent

MONTREAL.—Short-term investment of idle capital with an interest return of approximately 4 per cent, or appreciably higher than can be secured through the usual channels, is possible through the medium of a "straddle" in silver futures, according to particulars set forth in an interesting document prepared by Drury and Thompson, members of the Montreal Stock Exchange and the Canadian Commodity Exchange.

The manner in which this can be accomplished by buying one future and offsetting it by the sale of another future follows:

Nearest future available is December—price assumed to be about 53 cents per oz.

(1) Straddle from December to March.

Buy 1 contract (10,000 oz.) December silver at say 53.00.

Sell 1 contract (10,000 oz.) March silver at say 54.04.

or—104 points spread (price does not matter—it is spread between the different futures which counts).

How Deal Works Out

This works out as follows:

Some time in December the December contract will be delivered and is taken up by the purchaser and held until March when he re-delivers it. It cannot be delivered to him until Dec. 1 and he has the right to deliver, from March 1 to 31 but it will pay him to deliver as early as possible from an interest standpoint.

To take delivery he puts up on, say Dec. 1	$5,300.
to which is added:	
commission purchase 1 contract December	11.
delivery charge 1 contract Dec.	5.50
commission sale 1 contract March	11.
delivery charge 1 contract March	5.50
storage charges (2 cents per day per bar—approx. 10 bars per contract—about	18.
	$5,351.
On March 1 he delivers 10,000 oz. against sale previously made at 54.04 for	5,404.
Leaving profit of	53.

which represents approximate interest at 4 per cent on $5,316 for three months (actual $53.16).

Delivery of the actual silver is made by transfer of warehouse receipts issued by authorized depositories. Insurance is covered by depository.

Avoid Margin Interest

In above calculation no allowance is made for interest on margin of $100 to $400 per straddle which would need to be put up at time of purchase to cover trade until first delivery on Dec. 1. This would vary according to the date on which the trade was made and can be avoided entirely by depositing as margin a Dominion of Canada bond which is acceptable as margin and on which the purchaser would continue to receive his full interest.

If the delivery on the first contract (December) is not made until later in the month—it is seller's option—the interest rate received would be slightly higher as the purchaser's money would be engaged for a shorter time and he would receive the same amount of profit (interest).

Longer Term Possible

For longer spreads, costs would be in proportion with exception that storage charges would be at slightly lower rate, as cost is 1½ cents per bar per day after first three months and one cent per bar per day after first six months.

(2) Example spread from December to May (five months) to yield 4 per cent.

Buy 1 contract Dec. at, say	53.
Sell 1 contract May at, say	54.49
or—149 points spread.	
To take delivery he puts up on, say Dec. 1	$5,300.
to which is added:	
commission purchase 1 contract Dec.	11.
delivery charge 1 contract Dec.	5.50
commission sale 1 contract May	11.
delivery charge 1 contract May	5.50
storage charges (5 months) about	27.
	$5,360.
On May 1 he delivers 10,000 oz. against sale previously made at 54.49	5,449.
Leaving profit of	89.

which represents approximate interest at 4 per cent on $5,316 for five months (actual $88.60).

May Start All Over

When the straddle has been completed by delivery of the May contract the straddle may be reinstated by immediately repurchasing May against a sale of a more distant future, thereby keeping the capital constantly employed, or a new straddle could be executed any time before May 1.

Wholesale prices showed a further slight decline in the week ended Nov. 2, the index of the Dominion Bureau of Statistics declining from 71.3 to 71.1 for the week.

No Income Tax

Under present Canadian federal income tax regulations this profit is not taxable as would be income from other investments, as this would constitute a capital profit and not income.

When, in either example, the December contract has been delivered, the purchaser will then own the silver temporarily, eventual sale of which is covered by his hedge in the final month of the original straddle. He will be required to margin the hedge (regular margin about $600 per contract), but as Dominion of Canada bonds may be deposited as margin it does not affect the interest rate on the capital involved.

Should the price of silver advance before the straddle has been completed, he will need to provide further margin to the extent of the advance—on the other hand, should the price decline, his margin may be proportionately withdrawn. On completion of the straddle all margin or bonds deposited are returned.

Approximate spreads required to secure various yields with silver at approximately 53 cents per ounce.

	Dec.-Mar. (3 mos.)	Dec.-May (5 mos.)	Dec.-Sept. (9 mos.)
3½%	98	137	213
3¾%	101	143	223
4 %	104	149	232
4¼%	107	155	242
4½%	111	160	253

Politics, International Trade Affect U. S. Silver Policy

By Staff Editor

WASHINGTON.—Internal politics and international relationships between China and the United States hold the clue as to whether or not the United States will modify its present silver policy, in the opinion of competent observers here.

Canada's interest in that question is now a very practical one due to creation of Canadian Commodity Exchange Inc. at Montreal, whose future depends primarily on a closed market for silver at New York.

Purely Political Move

It is admitted frankly here that the move by the United States in nationalizing silver was done for purely political reasons, and that for U.S.A. the question is only one of minor importance. From an economic viewpoint the policy does not find favor with the administration, it is understood. With China, however, the United States action is a matter of major national importance. Already she has taken steps to curb as far as possible the ill effects which U.S. policy will have on monetary conditions in the republic.

At the moment the most the U.S. government is prepared to do, according to Secretary of State Cordell Hull, is "so to arrange the time, the place and the quantity of its silver purchases as to keep in view the considerations put forward by the Chinese government." The statement is contained in notes which have passed between Mr. Sze, the Chinese Minister in Washington, and Mr. Hull, and which were recently published.

Two Key Factors

The two important factors in the situation are, therefore, the desire on the one hand of the United States to maintain satisfactory relations with foreign countries and to increase if possible by means of treaties, trade with foreign countries. The other consideration is political pressure in respect of a silver policy. It is the belief of some observers here that if this pressure is removed at any time the United States may be willing to consider a less drastic policy in respect of silver in order to further its general policy in respect of foreign trade. China is a very important trade customer of the U.S.A.

At the moment, it is probable that neither of these factors indicate the future of Canadian Commodity Exchange Inc. to be in jeopardy.

ONE COMPANY ACT FOR ALL CANADA IS NOW NEEDED

In Hamilton Speech Col. Drew Says B. N. A. Act Change Essential

One strong company and security act applicable to the whole Dominion was suggested in an address by Colonel George A. Drew at Hamilton on November 5 as the only way to counteract the abuses of public confidence by tipster sheets, secretive directors and manipulators of stock. Success might be difficult but it was essential if the capitalist system were to survive that honesty, frankness and straight dealing should be the rule in corporate structures and dealings.

As hopes of uniformity have faded, Col. Drew continued that "the only alternative is to place the whole matter under the control of the Dominion Government, either by agreement or by amendment to the British North America Act. In the minds of those who brought about Confederation everything of a national character was to be administered by the Dominion Government. Today the formation of companies and the sale of securities has a national character, because any company, whether formed under a Dominion or a provincial charter, may extend its activities beyond a provincial border. It would, therefore, seem advisable that steps should be taken to refer to the Dominion Government the exclusive power to issue company charters and control the sale of securities. This would avoid confusion and would also avoid unnecessary duplication of service.

Syndicate Handle Bonds Moncton School Board

From Our Own Correspondent

MONTREAL.—Johnston & Ward, Nesbitt, Thomson & Co., W. C. Pitfield & Co., and Irving, Brennan & Co., comprise a syndicate making a public offering of $200,000 Board of School Trustees, City of Moncton, N.B., 4% sinking fund debentures, due November 1, 1954. The offering price of these debentures, which are exempt from all personal property, provincial, municipal and school taxes, in the province, is 97 and interest to yield 4.22 per cent.

Proceeds of the debenture sale will be used for the construction of a new school.

Call for $21,500 of Bonds of Toronto Housing Co.

National Trust Co., Toronto, has called for offerings of bonds of the Toronto Housing Co. for purchase for the sinking fund. The trustee has on hand some $21,500 with which to purchase the five per cent first mortgage bonds of the company, due 1953.

Offerings of bonds, including interest, will be received up to Nov. 15, 1934. Each offer will be deemed to include accrued interest. Payment is to be at Toronto.

Imperial, Pete, Keep Dividends On Higher Basis

Boards of Imperial Oil and International Petroleum Co. on November 7, declared the same regular and bonus semi-annual dividends as were declared six months ago. International Petroleum Co. pays 56 cents regular and 44 cents a share bonus dividends, and with the June dividends paid this makes the rate for 1934 $2 a share, as compared with a former rate of $1 a share in 1933, exclusive of additional money paid because of exchange.

Imperial Oil pays the regular dividend of 25 cents a share and a bonus of 15 cents a share, or 40 cents a share in all. This makes 80 cents a share for 1934, and in that respect the two leading companies in the industry are now on the same footing per share. British American Oil Co. also pays 80 cents a share.

The last payment has been discounted to some extent in the stock market. A New York newspaper some weeks ago expressed the opinion that the June dividend and bonus would be paid again. In the past, these companies have not taken backward steps in dividend payments, even though no one can say absolutely what a dividend will be before a board meeting. Payment will be on December 1.

HARDING CARPETS GAIN MAINTAINED TO END OF YEAR

Expect Report Will Show Accumulated Deficit Wiped Out

The very substantial improvement reported by Harding Carpets for the first six months of the fiscal year which ended Oct. 31 last has continued, The Financial Post understands. For the first half-year the company showed a net profit $18,197 as compared with only $267 for the whole of 1933 and a net loss of $35,190 for 1932.

Assuming that the last six months of the 1934 fiscal year were as profitable as the first half the accumulated deficit of $36,595 at Oct. 31, 1933, would be wiped out and possibly a small surplus established. Continuation of such improvement would pave the way for dividends in 1935.

Under the recent capital reorganization, there are now 170,000 of new common shares outstanding but no preferred. The latter, with arrears in dividends were converted on the basis of 20 for one in September.

More Small Orders

The improvement in the company's business is not attributed to any spectacular large orders, though it is believed that a fair portion of such business has been secured, but rather to the general pick-up in demand for carpets of the less expensive grades by the average householder. This demand is also understood to have been fairly widespread and to be continuing.

In the large order field, the lack of new construction, particularly of large hotels, has restricted business, but carpets in the older structures and in boats and railroad trains wear out and have to be replaced. The remodelling of many smaller hotels in Ontario following the return of public beer sale, has stimulated the demand for furnishings, including carpets, it is believed. The increased output of motor cars has also been a factor, although the total volume in this case, with less than a square yard of carpet per average car, would not be very great.

Since 1929, when the bank loan stood at $298,000, this liability has been steadily reduced. It amounted to $147,000 at the end of the 1933 fiscal year and is now believed to be considerably lower again.

LISTED VALUES OFF ON MONTREAL BOARD

Additional Listings Bring Up Aggregate Total for October

From Our Own Correspondent

MONTREAL—Value of stocks and bonds traded on the Montreal Stock Exchange and the Montreal Curb Market, as of October 31, was generally lower than at the end of September, reflecting the downward trend of security values.

The value of listings at $6,717,248,084, however, recorded an advance of $20,115,865 over the total at the end of September. This was the result of the listing of the 1934 Dominion Refunding Loans, which increased the total for government bonds, and of a slight increase in the value of unlisted miscellaneous stocks on the Montreal Curb.

Following tables show the values of the various classes of listing on the two exchanges at the end of October with comparative figures for the end of the previous month.

	October 31 $	September 30 $
Montreal Stock Exchange		
Industrials	1,502,821,644	1,566,157,604
Banks	254,020,000	254,755,000
Govt. bonds	2,734,025,172	2,549,646,422
Indust. bonds.	268,584,139	269,791,396
	4,759,450,955	4,640,350,422
Montreal Curb Market		
Listed stocks	1,165,368,953	1,204,206,666
Listed bonds	168,055,630	167,936,055
Listed mines	405,473,537	457,179,731
Unlisted stocks	165,496,264	163,846,030
Unlisted mines	53,402,745	63,613,315
	1,957,797,129	2,056,781,797
Grand total	6,717,248,084	6,697,132,219

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Tenders Invited for

$4,098,000 CITY OF TORONTO

3½% SERIAL INSTALMENT DEBENTURES

Sealed tenders, endorsed "Tender for City of Toronto Debentures," addressed to Wm. J. Stewart, Esq., Mayor and Chairman of the Board of Control, will be received by the undersigned until 12 o'clock noon, Wednesday, November 14th, 1934, for the purchase of $4,098,000 City of Toronto debentures issued for various purposes under several by-laws, and due 1935-1964, all dated December 1st, 1934 (approximate average maturity of the whole 9.77 years).

The favourable opinion of the legal firm of Messrs. Clarke, Swabey and McLean, Toronto, as to the validity of the issue, will be engraved on each debenture.

Full details as to the purposes for which bonds are issued and amounts maturing annually, together with financial statement of the City, will be furnished on application.

The debentures are in coupon form, with provision for registration of principal only, are payable, both interest and principal, in Toronto, and are of the denomination of $1,000 and $500.

Engraved debentures will be ready for delivery Saturday, December 1st next, and payment is to be made at the office of the undersigned on that date.

Tenders will not be received for any part, but must be for the entire issue.

A certified cheque, payable to the undersigned, for two per cent. of the par value of the bonds tendered, must accompany the tender.

Tenders containing conditions varying from above, will not be considered.

The right is reserved to reject any or all tenders.

GEO. WILSON,
Commissioner of Finance.

Treasury Department, City Hall, Toronto, Canada, November 6th, 1934.

Bouchard Sets Forth Views On Electricity at Enquiry

Quebec Commission Voluntary Hearing Begins in Montreal to Ascertain Feeling in Quebec on Electricity Situation

From Our Own Correspondent

MONTREAL—Hearings were instituted at the beginning of this week before the commission of enquiry named by the Quebec Government to delve into the electricity situation in the province. The first public hearing took place in Montreal, with Hon. T. D. Bouchard, mayor of St. Hyacinthe and secretary-treasurer of the Union of Quebec Municipalities, holding forth in favor of municipalization.

Before the hearings commenced, Hon. Ernest Lapointe, chairman, stated that the commission was one exclusively of study. It was charged to get information and to express its views on nationalization; municipalization; influence of municipalization in the large centres upon rural communities; rates, in a general manner and the possibility of reducing them and, in general electrification of the rural sections of the province.

The commission is not a Royal Commission, nor a judicial court of enquiry. Accordingly the information presented before the commission is purely voluntary.

Bouchard Opens Enquiry

The opening day's session was taken up by Mr. Bouchard, who not only outlined in detail, particulars of Quebec complaints. In addition, he outlined Quebec feeling, which may be summarized as complaints of too high rates, and the dual fear that the companies may get hold of the remaining 26 municipalized plants existing, and that Quebec future legislation may not grant sufficient protection to municipalities which are favorable to municipalization, and even take away what protection now exists.

Mr. Bouchard also pictured a great press and university campaign in the United States and in Quebec, which aims to destroy the last vestiges of public ownership sentiment, and throw everything electrical into the maw of the "trusts."

He urged the commission to recommend to the Government that all legislation to be enacted make it imperative that there be no free electricity, or favored rates, granted to anyone, not even to the clergy, churches, hospitals, hospices, etc., as is now done in most instances by municipalities which have their own plants. Nor, he added, should municipalities authorities in charge of plants be permitted to dispense with the collection of any accounts.

Spread Burden of Taxation

Mr. Bouchard said he believed in weaving within the municipal financial structure the question of electricity rates, so that the burden of taxation would not fall so heavily upon the property owners. He did not believe in the principle of service at cost.

Mr. Bouchard regretted that auditors and expert engineers could not be called to testify, there being only such information as had been freely given, and what information was contained in company reports, and what additional information might be given by these adversaries. In all there was not much on which to go in establishing facts, and with the limitations imposed by the Government it was impossible to make an enquiry which could be called a true enquiry, especially in the brief space of time allowed the commission by the Government. In England study had been commenced of electric problems in 1919, and in 1921 the Gird system had been turned to, and in the United States the federal commission which had started in 1928 would make a preliminary report only next January.

Question of Rates

The matter was vital for the province, said Mr. Bouchard. The people here were forced to take the municipalization path. It was all a matter of rates, for, generally, there was no complaint of the service which the companies give. They did all possible to battle against weather conditions, and other adverse factors, but municipalization had to come because rates were two and three times greater than they should be, and what they are elsewhere. So long as the citizens of Quebec sleep there would be no lower rates. Reducing some domestic lighting rates did not solve the problem, said Mr. Bouchard. Such reductions might influence the electors, the individuals, and were meant for that purpose. They could be termed political reductions, in fact. The big issue was commercial and industrial rates. The rates to be charged in St. Hyacinthe would be fair to all, much lower to the consumers, would care for all capital charges, and help to ease the burden of general taxation. What was proposed in the Government bill last session in regard to sinking fund was unfair, he contended. It was a measure borrowed from New Jersey, where it was intended to help the companies, not the people.

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TORONTO, NOVEMBER 10, 1934

"THE SPOILS SYSTEM" BLIGHTS PROVINCIAL GOVERNMENT

TWO quite distinct influences have been at work in the almost complete overhauling of the Ontario civil service that has taken place under the regime of Premier Mitchell Hepburn. One is good: the other wholly shameful.

The first is a desire to improve efficiency and effect economies.

The second is the "spoils system," bare and unabashed.

On the first score there can be no criticism. On the second it is regrettable that Premier Hepburn continues in force a system of political patronage that has no proper place in civilized government.

Only the "oldest inhabitant" can remember a time when hiring and firing on such a large scale, so brutal and so callous, has ever gone on before in Canada.

Whether or not, in the end, Ontario's new government will have weeded out many incompetents and replaced them with able men; whether or not it will have actually reduced the cost of government; these things remain to be seen. Taxpayers will hope that all of these dismissals and changes are not purely political; that enough of them are based on sound administrative ideals to merit the conclusion that there has been a net benefit to the taxpayer despite the distressing number of purely political appointments that are being made. But it is daily becoming more difficult to retain any vestige of faith in Mr. Hepburn's "economy" policy.

Many of the dismissals are not even honestly effected. Take the case of V. A. Sinclair, chairman of the Workmen's Compensation Board. Here was a capable administrator, holding the confidence of employers and workers of the whole province. Not only was he dismissed with such discourtesy that he heard of his retirement through the newspapers before he was told of it by the government, but he was subjected to an utterly unforgivable insult from the premier in the form of an insinuation that he was secretly accepting a private legal retainer while drawing a large salary from the government. Mr. Sinclair did have such a retainer, but he held it with the knowledge and consent of the government that employed him; he did draw a large salary, but it was the price his employers were willing to pay to induce him to give up a lucrative private practice, and he was apparently never asked if he would remain at the lower salary the government decided to pay.

The Sinclair case is typical of many. To justify the dismissal the premier trumped up an abusive allegation of misconduct, when the real truth is that he was merely waiting to give a good party supporter—who may indeed be a very able man—a good job.

The same thing happened to Fred A. Gaby, "general manager" of the province's Hydro enterprise, a man too "inefficient" for Mr. Hepburn but apparently competent enough to be selected as assistant to the president of Canada's largest business concern.

The Ontario massacre has long passed the point where it can pass as a measure of economy and a weeding out of civil service misfits. It is patronage in a disgraceful degree; the spoils system at its basest.

At Ottawa, patronage in jobs has, over the past generation, gradually been reduced. Both the Liberal and the Conservative governments have kept out of the jurisdiction of the Civil Service Commission many bureaus that properly should be there. But in a large degree, the Civil Service Commission has been given a free hand in the appointment of minor officials and routine staff. To the credit of Mr. Bennett, let it be said that he has promoted many capable men who had first been appointed by a Liberal administration; that he has sought to recognize merit and has made some excellent appointments during his term of office.

The non-political selection and hiring of civil servants should be extended to each province. The appalling inefficiency of provincial governments in Canada can be in no small measure traced to the operation of the spoils system in the various capitals.

Government must be run by people selected from among the nation's best. That is the objective and almost entirely the practice in Great Britain. In fact, so influential are the permanent officials in British governmental departments, as a result of their technical and background knowledge, that protests have on occasion been raised against the alleged subjugation of parliamentary power to civil service authority. Lord Hewart's book on bureaucracy is the most notable among such protests. But the threat of intensified bureaucracy is a small one compared with the very real and present scandal in Canada of the spoils system, so blatantly operated by nearly all provincial governments.

FINANCIAL MEN NEEDED TO PROTECT INVESTORS

THE Financial Post has in recent years come increasingly to believe that attorneys-general, because they are lawyers, have failed to understand that the chief problems of protecting investors are financial. There is wonderful scope for attorneys-general themselves and their legal advisers for improving the securities laws, but the administrative problems should be under a group of trained financial men thoroughly familiar with the thousands of cases which must come before the department in the course of every year.

Crooks and confidence men, desiring to work stock rackets, get good legal advice to be sure that their prospectuses and incorporation papers are in order. They therefore take the first legal hurdles provided by Companies Acts with ease, get their companies incorporated, and then start the dirty work. The only way to check them adequately is to have on the job active and specially trained men with a financial background, fully up to all the dodges and in a position to watch every move made by men with a record that is suspect.

The object of securities commissioners should be not to hamper but to facilitate honest business in securities. Rules and regulations are necessary just as they are in policing highway traffic. The halts in traffic at cross-roads and intersections, the rules against inconsiderate parking and dangerous driving really facilitate traffic on the highways. Without restrictions there would be pandemonium, chaos and danger. And without restrictions there would be far more dangerous selling and manipulation in the securities realm than there should be.

Norman Harris, who starts a series of articles in this issue with regard to the best ways of controlling the various evils apparent in the securities realm, has had exceptional experience for two and a half decades in uncovering financial frauds. Lately he was asked to resign from the Ontario Securities Commission on the ground that the Commission "had no need of a financial assistant." His own resignation did happen to anticipate his dismissal. But the reason given for that dismissal must have been read by every experienced financial man with a feeling akin to amazement.

Securities Commissions need, first and foremost, financial gumption, financial experience and financial knowledge continually at beck and call. They have to deal with securities, balance sheets, income statements, stock exchanges, margins, commissions, reputability of individuals and reliability of statements made in sale of stocks. Their duties will consist of forming and acting on opinions concerning innumerable individual cases where there will be arising complex problems of marketing, accountancy, operation and financing. All this requires a high order of financial acumen. The best lawyer might conceivably be at sea in it as a layman would be who tried to interpret the law.

Of course, the attorney-general should provide such an official with the best legal talent available. He may need to be told how far he can exercise his powers, what legal procedure to take to stop some piece of crookedness and in what legal language to frame his suggestions for improvements in the law. The lawyer can do that best but the financial man will see most quickly what companies are being well administered, what financial procedures are likely to come to grief and what individual promotion projects should be placed under the microscope.

MR. TASCHEREAU SEES IT THROUGH

PREMIER TASCHEREAU has been actively campaigning for the Canadian manufacturers in their efforts to secure a higher price for their newsprint. In a recent news story The Financial Post published the statements made by the Premier and the American Newspaper Publishers' Association. The latter made the charge that Canadian newsprint was being sold in the United Kingdom at a lower price than in the United States. The point was made that the Premier had not made reply to this alleged discrimination. The Quebec Chronicle-Telegraph takes The Financial Post to task as unfairly attacking Mr. Taschereau because—

(1) The A. N. P. A. bulletin was issued privately to members.

(2) The Premier may not have had an opportunity of seeing the bulletin and replying to it.

The Chronicle-Telegraph questioned Mr. Taschereau, who stated that no discrimination as between the British and American consumer had been in his mind; and also that his interest is not to force an increase in prices, but to prevent price-cutting.

Our contemporary, usually well informed, is completely off the track in the present instance. The A. N. P. A. bulletin was made public, as the Quebec Chronicle-Telegraph would have discovered for itself if it had made even a casual enquiry. And Mr. Taschereau has never informed us that he reserves the right to censor newsprint news in any paper.

If the Chronicle-Telegraph quotes the Premier correctly, the statement that his interest is not to force an increase of prices, doesn't ring true. If Mr. Taschereau is not trying to help the Canadian producer to secure a higher price for his newsprint, what is he doing? Why should he threaten St. Lawrence Paper Mills with the withdrawal of certain privileges because it signed up orders for 1935, not at a lower price, but at the present level?

It may be that the Quebec Chronicle-Telegraph has not seen a recent statement by the Premier, replying to the A. N. P. A.'s questioning of the sanctity of contracts, wherein he says:

> "We cannot expect the United States publishers, members of the American Newspaper Publishers' Association, to receive with any marked enthusiasm the move of this Government to see to it that there is a moderate increase in the price of newsprint as warranted by the duty of the Province of Quebec to protect that industry and by increasing costs and the increasing needs of our workmen."

ROOM FOR CO-OPERATION UNDER CAPITALISM

THE current number of the Canadian Co-operator has on the front page the title "Co-operation Versus Capitalist Economy." But why suggest that Co-operation and Capitalism are opposed? It is hard to think of any propaganda for Co-operation that is more likely to turn the bulk of Canadian people away from it than the suggestion that the co-operative movement's success requires the downfall of our present economic and social system.

The co-operative movement in Canada suffers from a confusion of objectives. Co-operative activity has reached its peak among producers and notably among wheat producers. But in the world at large the co-operative movement is essentially an attempt to federate consumers. The world's greatest co-operative organizations are, of course, the British co-operative societies, and it is well known that they showed no sympathy for the wheat pools of Western Canada when the latter attempted to hold up prices.

This conflict between the producers' co-operatives and the consumers' co-operatives was mentioned by Sir William Dudley, president of the Co-operative Wholesale Society of England, at a recent meeting in Canada, when he said that co-operation in Canada suffered from too many factions. The producers were getting together to get the highest price, and the consumers were getting together to pay the lowest.

One of the speakers, at the Co-operative Congress in Toronto recently, suggested that Capitalism was in a rut. But Capitalism has at least the merit of being able to resolve conflicts such as those which make the co-operative movement almost impractical and paradoxical in this country.

TRAVEL FOR EDITORS

"HE THAT knows his own village knows the world." This ancient epigram is approvingly quoted by the Toronto Globe in a whimsical editorial written by way of reply to Controller James Simpson, Toronto.

Controller Simpson is, as the Globe points out, a "chronic delegate." Times without number he has represented Canadian Labor at Geneva and other capitals. Recently he delivered himself of this opinion:

> "If you find an editorial writer who has not travelled widely, who isn't a wide reader, and who doesn't get out among the people and observe, then I say the value of his editorial doesn't amount to a row of shucks."

But why should The Globe be annoyed? Controller Simpson is quite right. Says The Globe:

> "Editors, even though they are quiet home bodies, have a right to opinions the same as other people."

The question is not the right of the under-travelled, "under-read" editor to express his opinions; but how good the opinions are likely to be if they are written after a life-time of purely desk service?

Travelling expenses cut deeply into the editorial budget of every well-edited newspaper. Dust on the editor's chair is better than cobwebs on the editor's brain.

"ABILITY TO PAY"

EVERY suggestion for taxation designed to "soak the rich," harps upon the well-worn theme that taxation should be based upon "ability to pay."

Ability to pay is a reasonable principle of some forms of taxation. But there must be considered not only the ability of the individual to pay, but of the community to pay the taxes levied on it.

With tax arrears piling up in most cities and towns it is obvious that municipal authorities are levying taxes beyond the ability of the community to pay.

With land and buildings coming back on municipal authorities, it is obvious, too, that real estate is being taxed beyond the ability of the property to earn the money to pay the taxes.

EDITORIAL NOTES

In one region in France 20,000 families have nothing to live on but potatoes and champagne. Depressions play strange tricks.

• • •

Says the Glace Bay Gazette:

> "It is probable that the disposition of moneyed people to play safe has been the cause of a good deal of trouble in the last four or five years."

We had an idea the stock market crash and U. S. bank crisis had their origins in an opposite fault.

Post-Scripts

WE couldn't help thinking the other day that things are not what they used to be. This highly original and diverting thought came to us when we read this little poem:

ARABIAN NIGHTS

Hurrah; let us rake up the leaves that are dead,
And build a big bonfire all yellow and red,
For a bonfire is full of Arabian Nights,
Aladdins with lamps and most wonderful sights—
Genii, Sinbads and Babas and thieves
In the flickering, flaring and flaming of leaves:
Horses, enchanted and caliphs and kings,
Magicians and other miraculous things,
Hurrah let us rake up the leaves that are dead,
And build a big bonfire all yellow and red.
—Margaret Clark Russell.

Instead of suggesting Genii, Babas and Aladdins to us, a bonfire of leaves on a city street always reminds us that in a moment or two a policeman will probably appear from around the corner, reading off the municipal by-law anent bonfires within the city limits, and that in the provincial legislative buildings the Fire Marshal is probably designing a poster warning people about the danger of lighting fires on the street.

Sayings of the Week

"War is a collective and cowardly attempt to suicide."—*Rev. John A. Maynard, New York.*

• • •

"Our guys on the unemployment lists would be capitalists in Soviet Russia."—*Will Rogers.*

• • •

"No one will ever get me to say that governments should do anything but govern."—*Henry Ford.*

• • •

"The one instrument which mankind has in its hands is that of a liberal education."—*Nicholas Murray Butler.*

• • •

"I don't know that it does much harm to tell women that if they changed soap they'd get a new beau."—*Bruce Barton.*

• • •

"I am beginning to lose faith in conferences, for I have seen so many and have seen so little emerge from them."—*David Lloyd George.*

• • •

"The individual seems more and more at a discount in the new experiments in governments which are being tried out."—*General Jan Smuts.*

• • •

"Our whole psychology has been one of producing to the limit and postponing our consumption until some future time."—*Henry A. Wallace.*

• • •

"Modern methods of production, given efficient organization, would enable the whole world to live in comfort with about two hours work a day."—*Bertrand Russell.*

• • •

"The things which Thomas Carlyle in the past century classed with the eternal verities are today being relegated to the limbo of old clothes."—*General Jan Smuts.*

• • •

"To be spiritually strong, cohesive and happy, a nation must feel confident of the high intention, the honesty and the capability of its government."—*Wang Chingwei, Premier of China.*

• • •

"Research is an organized method of trying to find out what you are going to do after you can't keep on doing what you are doing now."—*Charles F. Kettering, Research Director of General Motors.*

• • •

"Bargaining in the matter of wages and hours and working conditions, as we see it conducted by unions and employees, degenerates into a struggle to get the better of the other fellow."—*Henry Ford.*

• • •

"There seems to be an increasing number of modern 'Robin Hoods' who do not worry about rents and leases, interest and other debts. Their new Bible is called 'Moratorium' and its one chapter titled repudiation." — *Frank E. Hand, Supreme Chief Ranger, I. O. F.*

• • •

"The experience of European countries has demonstrated that recovery from the depression is automatic wherever the national budget is balanced, but that the development of that recovery into prosperity will be impossible until there is a revival of international trade" — *Colonel L. P. Ayres, economist and vice-president of the Cleveland Trust Co.*

The World at Large

Open-Handed Britons

British Treasury Lends and Spends Millions of Pounds to Boost Agriculture and Shipping

By JOHN A. STEVENSON

The present National Government of Britain was elected with a mandate to rescue the country from the consequences of the policies of a Socialist administration. But it has shown a persistent disposition to promote state interference with a variety of economic activities and to give state assistance on a generous scale by subsidies or other methods.

It has devoted, however, its state beneficences largely to two objects, the revival of agriculture and the maintenance of British maritime supremacy. Authoritative estimates show that during the present year these two industries, agriculture and shipping, will receive in subsidies from the public treasury a sum in excess of £23 million distributed as follows:

Sugar beet subsidy	£3,387,000
Meat subsidy	3,000,000
Milk subsidy	4,500,000
Beef subsidy	6,000,000
Shipbuilding subsidy ...	4,500,000
Shipping subsidy	2,000,000

Sugar Beet Subsidy

The sugar beet subsidy has now been paid for ten years and was extended by the present Ministry for 11 months, from Oct. 1, 1934, to August 31, 1935, after the expiry of its original time limit. It is credited with having enabled many English farmers in the Eastern counties of England to tide over the depression successfully but it has been the target of constant criticism. Its opponents have been able to make out a strong case that the results have not been worth the expenditure involved. It has involved a heavy burden on the consumers of sugar. So strong has been the criticism that the government, before renewing the subsidy permanently, appointed a committee of investigation to examine the whole question of sugar prices and report about the merits of the beet subsidy.

Milk Marketing Board

The payment to the milk producers is partly in the form of a subsidy and partly of an advance. The Milk Marketing Board, when it set up a general control of the sale of milk in October, 1933, was confronted with the problem of a huge summer surplus of liquid milk over the demands of the domestic market for it. The only outlet for the surplus was sale to manufacturers of cheese, butter and cream but the latter had to face the competition of cheap butter and cheese from the Dominions which, by the Ottawa agreements, were guaranteed free entry for these products until 1936.

This situation was a handicap to the Milk Board in its efforts to raise milk prices. In July the government guaranteed a minimum price of 5d per gallon in the summer and 6d in the winter for all surplus milk sold. The amount involved in this guarantee for the first year will be between £1,500,000 and £1,750,000 but as its effect will be to stimulate milk production, the cost will be larger in future years. There is, however, an arrangement that the Milk Board will repay the money paid under the guarantee when the price of the surplus milk reaches 6d in the summer and 7d in the winter.

Over and above this, through the same act, the government grants the board £750,000 toward the encouragement of a pure milk supply and a further sum of not more than £1,000,000 for a scheme to provide school children with milk and thereby increase consumption. But under this scheme the board must expend £1 of its own funds for every £1 spent by the government.

Wheat Growers' Bounty

Then the wheat growers under the Wheat Act of 1932 get the benefit of what are known as "deficiency payments" which are a cross between a tariff and a subsidy. The scheme was devised to avoid the unpopularity of direct food taxes. The deficiency payment is the difference between the price actually received by the farmer for his crop, which is the world price, and a standard price of 10 shillings per cwt. If, however, the British supply exceeds a certain estimated figure each year, the amount of the deficiency payment is correspondingly reduced. The accounts of the Wheat Fund for the year 1932-33 show that the net additional sum received by British wheat growers was £4,510,946.

Bonus on Cattle

Now there has come another move for the benefit of agriculture through the Cattle Industry Emergency Act, passed last August, which is a temporary measure designed to help the producers of beef. The subsidy is payable at the rate of five shillings per cwt. liveweight and of nine shillings deadweight and it is not to exceed £3,000,000 for the first six months.

Mr. Elliott, the Minister of Agriculture, however, has plainly intimated that as soon as his hands are free from the limitations imposed by the Ottawa Agreements and the Anglo-Argentinian commercial treaty, which will be in 1936, he intends to work out a permanent policy for the salvation of the domestic cattle industry. At present, there are in progress in London conferences between Mr. Elliott and representatives of the Dominions and their outcome will be interesting for Canada. But the fact that the cattlemen of Britain have been able to extract a subsidy from the government, on the ground they cannot compete with imported beef, indicates that the justice of their case for more protection is recognized by the present Ministry and when its hands are free, measures which will drastically reduce beef imports are likely to be passed.

On the other hand the beef, wheat and other subsidies are undoubtedly contributing to a rise in the cost of living which does not make for the government's popularity and the results of recent by-elections indicate that the Labor party, which attacks most of these subsidies, is gaining ground rapidly.

Shipping Subsidies

In regard to shipping, the government has advanced £3 million toward the cost of building the new Cunard liner "Queen Mary," and £1.5 million for the provision of working capital for the Cunard-White Star merger. In addition it has taken powers to supply up to £5 million toward the cost of another liner of similar size. The £3 million is repayable by 1975 and is secured by a mortgage on the Queen Mary. Again Mr. Runciman, the president of the Board of Trade has announced that Parliament will soon be asked to "grant for vessels carrying tramp cargoes under tramp conditions a subsidy to be used for defensive purposes not to cost more than £2 million." The object of this move is to help British tramp shipping to compete with subsidized foreign rivals.

About £13.5 million pounds of the total of nearly £23 millions is nominally repayable but there is no certainty about repayment in any case. For the beef advances the Treasury is unlikely ever to be recouped.

Such subsidies are an extraordinary departure for a British government and ministers have usually tried to justify them on the ground that they provided additional employment.

As Others See Us

"Mass Bribery"
Sydney, Post-Record

The corrupting influence of mass bribery, The Financial Post thinks, is one of the most shameful factors in Canadian public life. All parties indulge in it. The ones in power spend money; the ones seeking power promise to spend money. And in the meantime debts pile up.

But this is not peculiar to Canada. It is characteristic of every democratic country, where the plain people make and change their governments at will. Broadening intelligence will supply the remedy in due time. Extravagance finally cures itself by exhausting the resources on which it feeds.

Another Publicly-Owned Flop
Sherbrooke Record

One more standby of those who advocate and who may honestly believe in public ownership of utilities has fallen to the ground under the keen eye of a business man who can discover the manipulating figures whereby profits and surplus can be shown by ignoring liabilities.

The Financial Post declares the T. & N.O. Railway to be a sordid story, making depressing reading for the Ontario taxpayer who vauntingly believed that it was the only railway in Canada that was paying its way.

The deficits or losses are found to total $10,000,000.

Some day, even the man who is fed up with the horrible railway stories, will hitch up his pants, roll up his sleeves and wade in for a return to sanity and initiative.

Other People's Views

More Inflation
Regina Leader-Post

There is more talk about further inflation in the United States.

If there is further inflation the price level will rise in the United States.

But experience indicates that prices of manufactured articles rise faster than the prices of the primary products, which puts the farmer in a worse position than he was in before.

The United States farmer may wonder what he is going to get out of further inflation. He is already howling loudly that he cannot afford to buy the goods the factories are producing under the code system.

A Dangerous Visionary
The New English Weekly

Mr. Montagu Norman is right in regarding himself as a visionary, but it must be added that as a visionary he is one of the most dangerous that ever lived. In his megalomaniac dreams he sees the world controlled by a Central Bank, housed in a fortress proudly claimed to be built to endure for a thousand years, and administered by a system of financial blockhouses placed at strategic centres over the whole surface of the planet. With a world-monopoly directed from London of the financial medium of all economic and political life, the Governor of the Bank of England and his agents could, as he believes, guarantee the peace and, in his own peculiar definition, no doubt, the prosperity of the world for ever.

But exactly like all such "altruistic" visionaries. . . . . Mr. Montagu Norman appears never to have asked himself what are the conditions of the gratification of his megalomania. Perhaps like Napoleon he would ask what a few million lives are in comparison with his ambition, or, like the harmless visionary Nietzsche, claim that a good fight justifies any cause. But the brute facts of the case are, in the first place, that if he is permitted to pursue his policy, this nation is committed to an epoch of world-wars of which the last was only an affair of outposts; and, in the second place, that even if, in the long run, his policy should succeed, it would be only to make a desolation of the world in the name of peace.

Mr. Montagu Norman looks with satisfaction on the record of six new Central Banks created within the last nine years and all affiliated with the Bank of England. But surely he is not such a visionary as to persuade himself that the rest of the going will be just as easy or, in fact, that it will be possible? On the contrary, his war of conquest is only just beginning, and a thousand engagements must be fought before the World Financial Monopoly can hope to succeed. . . . . Moreover, his success, as we have pointed out, would be as empty as a graveyard wherein, indeed, all the hopes of mankind would lie buried.

"Stop Me If You Have Heard This One"

Egg Pedlar (to wife)—"Sufferin' snakes, Florabel, you sold the wrong eggs to that last woman."

Wife—"How so?"

Pedlar—"You sold her some of that lot we dated September 10 and it's only September 1 now."

Canada's Wheat Troubles
Wall Street Journal

The desire to obtain the highest price for Canadian wheat that may be had is understandable. Our late and unlamented Farm Board tried that same philanthropy and failed, after wasting many millions of dollars. Its most conspicuous success was in handing the export market to other countries that gladly increased their production. The Board demonstrated the fact that a pegged price can be maintained so long as the money holds out, but the time will come when the accumulation of wheat becomes too great a burden to carry, because consumers will not pay the pegged price so long as there are other sources of supply available.

That is why the United States had to clear out the Farm Board accumulations at any price obtainable, and some on credit. Whether or not Canada will have to do the same thing finally is not for The Wall Street Journal to say; every people is entitled to manage its own business as it sees fit. One thing, however, is certain—Canada went into the current season with a large carryover of old wheat and at this time has an immense surplus. Other countries that produce wheat not comparable with Canada's are supplying the bulk of the demand by deficit countries and at a price the importers are willing to pay.

The lesson that the United States learned, at a very high price, was that the farmers were helped so long as they were being paid a higher than world price, but that the wheat did not move out into the export markets. When it did finally go it was at a price that the world would pay and the resulting loss was placed upon the taxpayers. Up to this time that seems to be the common experience wherever the price of a commodity is pegged higher than a world level.

The English Language
F. P. A. in the New York Herald-Tribune

The so-called English language is responsible for the wording of the A. & P. signs in Cleveland—"Closed for business," although the stores are closed for no business.

Half Butter Factories Located in Quebec

Out of a total of 2,693 butter and cheese factories operating in Canada in 1933 almost exactly half or 1,325 were located in the Province of Quebec, according to a recent survey by the Agricultural Statistics Branch of the Quebec Government. Practically all of these are operated by private persons or individual societies.

Of the 648 butter factories operating in Quebec, nearly 300 have an annual output of 50,000 pounds or less while 352 produce from 50,000 to 500,000 pounds of butter annually and six have a yearly volume of over 500,000 pounds apiece.

There are 275 combination factories producing both butter and cheese with 186 of these turning out less than 50,000 pounds annually.

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The Week in Business

Early Christmas Demand

RETAILERS are now turning their attention to the coming Christmas trade and wholesalers report an excellent volume of orders for seasonal merchandise. The radio and household electric apparatus dealers continue to report heavy volume of business. Furniture continues well ahead of a year ago.

Reports from the manufacturing divisions indicate that the level of last month is being maintained in all but seasonally affected lines. With the canning season almost completed, canning companies are satisfied with the season despite the small pack of most fruits and vegetables. Higher prices are expected and the small pack will probably necessitate the reduction of heavy carryover in some lines.

* * *

Tobacco Price Plans

THE controversial Imperial Tobacco Co. contract, signed by jobbers and retailers in Quebec, has been approved by the leading wholesalers in Ontario following a meeting between wholesalers and representatives of the Imperial Tobacco Co., The Financial Post learns. The contract binds signers to sell all tobacco goods, of all manufacturers, at prices set by Imperial Tobacco Co. for its products. It is believed that wholesalers in Ontario object to the plan used in Quebec whereby wholesalers obtained the signatures of retailers to the plan, and this part may be handled direct by the Imperial Tobacco Co.

Recently, the plan as signed by the Quebec trade was amended by elimination of a clause concerning goods damaged by fire, following protests from the trade. This clause assured return of any goods damaged by fire to the Imperial Tobacco Co., which was the final arbitrator as to their value. There is a possibility that the contract may be discussed before the Price Spreads Commission.

* * *

British Market for Hardware

THAT opportunity exists in Great Britain for Canadian hardware manufacturers is evidenced by the fact that a representative of a Glasgow firm was recently in Canada on a special mission to purchase builders' hardware, tools, etc. He stated that British firms were unable to meet the demand which had recently arisen.

Trade returns show that Canada has recently gained a good footing in that market, hardware exports in the past twelve months being almost three times the amount recorded in the previous twelve-month period. All manufacturers, however, do not appear to be alive to the situation. Experience of this British representative was that prices were extremely high and that few firms would quote prices to permit goods to be sold by an agent in Britain.

* * *

France on Quotas

TARIFF experts at Ottawa are interested in the announcement from Paris that the French Government is considering abandoning the quota policy. In recent years, France has not relied upon tariffs to protect her industries but has declared the amount of specific commodities which could be imported. These quotas were fixed every three months and were divided among foreign countries. Thus in the recent Franco-Canadian treaty, the Dominion for the first time since the denouncement of the old French treaty (1932) was given definite quotas. The policy, according to advices from Paris, is considered a failure.

France is thought certain to revert to tariffs. These are expected to be very high at the outset but will be reduced by treaties with foreign countries. The view at Ottawa is that France is really getting ready to negotiate a trade treaty with the United States. It is believed that Canadian exporters will be amply compensated for the loss of quotas and that the change will involve no diminution of Canadian exports.

Short Weight Infractions Bring Many Charges

Scales inspectors have been active in Toronto and vicinity recently, and the result has been that a large number of charges have been laid for short-weight, faulty scales, etc., according to the current issue of Canadian Grocer, Toronto. Few of the large retail grocery and meat organizations received a clean bill of health, The Financial Post learns.

In addition to the faulty scale and shortweight charges, there is a possibility that a charge will be placed against at least one retailer directed against the practice of quoting the customer a "round sum" for meat purchased. For example, it is said, an inspector asked for two pounds of a certain meat selling for 15 cents a pound; the clerk, after making the cut and weighing it, said: "Thirty-five cents in the piece." Strict weighing showed the cut to be worth only 34¼ cents and the contention will be that the customer should have been charged 34 cents.

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Business Conditions in Canada

SHINGLE EXPORTS NOW CONTROLLED BY FEDERAL ACT

Voluntary Control Proved Ineffective—Feared Loss of Market

From Our Own Correspondent

VANCOUVER. — Threatened with the loss of the entire United States market, which in past years has been the mainstay of their industry, British Columbia shingle operators have invoked the federal marketing legislation to curb unregulated shipments across the border. Control of exports by voluntary methods has been abandoned.

Special interest is attached to the shinglemen's action by reason of the suggestion that similar steps might be taken to control the flow of newsprint to the United States.

U.S. Firms Complain

Nearly two years ago the shingle manufacturers of the states of Washington and Oregon complained to the United States government against competition of British Columbia shingles, which they said dominated the American market while their own mills languished for orders. The United States tariff commission held hearings in Seattle and recommended that B.C. shingle imports should be restricted to 25 per cent of the domestic consumption. This was a much smaller percentage than the Canadian mills had enjoyed in the American market in recent years, but was fairly representative of the trade done over the past decade.

B.C. shinglemen soon encountered difficulties. Independent shingle operators were shipping to the United States in defiance of the agreement, and American mills were again protesting against the competition. Realizing that it was impossible to control exports by voluntary methods, the shingle men here asked Ottawa to invoke Section 9 of the marketing act, and this was done.

Form Association

The shinglemen proceeded to organize the British Columbia Red Cedar Shingle Export Association, with a membership of 80 per cent of the province's shingle mills. This association will have complete supervision over exports. No transportation company or person can move red cedar shingles to the United States unless the manufacturer of the shingles submits a certificate of shipment, signed by the agency, for each individual shipment.

PAINT INDUSTRY ADOPTS WIDE CODE OF FAIR PRACTICE

Will Attempt to Interest Non-members of Association

Probably the most ambitious industry code attempted in Canada to date has been drawn up by the paint industry in an endeavor to curb the many abuses which have developed in the merchandising of paint and varnish. The new code, which is sponsored by the Canadian Paint, Oil and Varnish Association, will be applicable to all paint manufacturers and it is the intention of the association to have as many plants as possible which are not members of the association, also adopt this code in the operation of their businesses.

Under the code, as adopted by the members of the association, at the recent annual meeting full report of which appears in the current issue of Hardware & Metal, Toronto, members are pledged, briefly, as follows:

Brief of Code

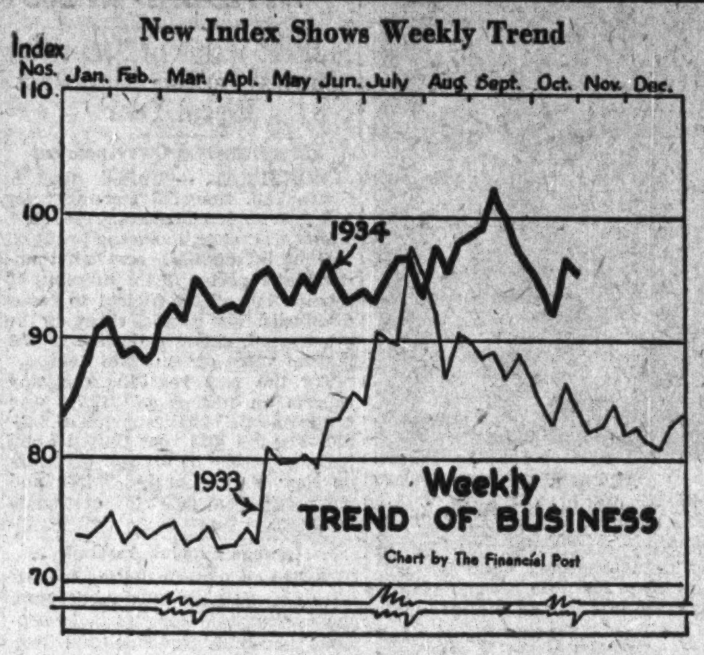
1. To compete with fairness and honesty.
2. To promote a higher standard of ethics in allied industries.
3. To represent their products truthfully in advertising, etc.
4. To avoid commercial bribery.
5. To refrain from exchange of own products for those of a competitor.
6. To refrain from soliciting for services of an employee of a member firm.
7. To refrain from giving any definite time guarantee on the life of any product.
8. To refrain from attempting to get any distributor to fail to live up to his commitment with another member.
9. To refrain from "free deals," either as premiums, prizes, free samples, etc.

Strong Association

Members of the association handle about 90 per cent of the business in Canada, it is understood, and they believe that their position is sufficiently strong to allow of success of the scheme. Many of the practices of small non-member firms have, however, caused merchandising problems in the industry and it is hoped that the bulk of these small firms will be prevailed upon to adopt the code for their own good.

Executives of the industry, interviewed by Hardware & Metal, were enthusiastic in their support of the code and hopeful of its successful operation.

New Index Shows Weekly Trend



In an attempt to judge the weekly trend of business activity in the Dominion, the Dominion Bureau of Statistics, has compiled, since the beginning of the year, a weekly index based on six factors. Owing to its limited scope, its week to week accuracy has yet to be proved although the general trend appears to agree fairly closely with broader monthly indices.

New Leaf Spring Plan Major Auto Development

Few Major Changes Expected in 1935 Automobiles—Ford Has Other Makers Worried — All Fear Strikes

In drafting rooms and experimental plants, behind closed doors, automobile models for 1935 are taking shape. Although great secrecy prevails, it is generally considered, and is freely predicted in Detroit gossip—which has, in the past, been usually close to the mark—that there will be few major changes made by the leading manufacturers and that anything of a radical nature will emanate from the smaller plants.

Already, Hupmobile has announced a new model which will sell in the low price class, a class in which there is over 90 per cent of the total market. Studebaker's year ahead models may not be followed by a new 1935 automobile in December or January. General Motors has predicted the trend for its 1935 cars, based on the results of its "customer research" department.

New Leaf Springs

At the moment the most important structural change that is possible is the announcement that an experimental chassis with four independently sprung wheels with springs of the leaf type has been evolved by the Leaf Spring Institute.

Its future threatened by the popularity of the coil spring type of individual wheel suspension, the Leaf Spring Institute, with the co-operation of a group of the leading body engineers of United States automobile manufacturers, has evolved this new type of suspension. The experimental frame also differs from the ones in general use in that it is of a pattern known as "double Y," the centre section carrying the drive shaft not being braced in any manner.

Ford Worries Trade

There seems little doubt that Ford's plans have the rest of the trade worried. Rumor, on the one hand, would have one believe that Ford is considering a cheaper eight in addition to the present line (a rumor which, by the way, was rife last year at this time) while, on the other hand, there are many who will tell you that a larger car, sometimes described as a larger V8 and sometimes as a V12 or V16, will be added to the Ford 1935 line.

Worry over Ford's plans will be over early in December, however, as 1935 models will be released at that time, according to Wallace R. Campbell, president of Ford of Canada. Ford's plans for 1935 as far as volume is concerned will also be available then.

Few Changes

There are a number of reasons which lead to the belief that there will be few major changes in the 1935 automobiles from those which were introduced to the public last January. First, competition for the 1935 market will be the most severe in history, it is believed, and as price will play an important part in this competition, most manufacturers will attempt to keep costs down by utilizing as much of their 1934 equipment as possible.

Fear Strike Tie-up

Second, manufacturers in the United States are troubled over the labor situation and for this reason will make few changes so as to avoid the possibility of a hold-up such as occurred last year when the tool and die makers went on strike. Possibility of a tool and die makers strike is about past, it is believed, but trouble from mechanics is possible early next year.

In addition, it is stated that the production of automobiles valued at more than $500 in the United States, reached the lowest point of the depression years in 1934. Manufacturers in the medium and high price classes will therefore attempt to recoup in 1935 for their heavy outlay on new parts and machine tools in 1934.

G. M. Plans

General Motors' customer research department claims that the wishes of the public for 1935 will be followed in the production of its line of cars. Wider bodies are asked in almost all replies, it is stated, while such 1933 and 1934 innovations as front wheel suspension and draftless ventilation are endorsed and will be continued. No major mechanical changes are suggested and it is unlikely that any will be attempted.

GOOD FRUIT RETURNS EXPECTED ON COAST

Orderly Marketing and Good Crop Expected to Bring Higher Returns

From Our Own Correspondent

VANCOUVER.—Fruit growers of the Okanagan valley, who have been wallowing in depression for years as a result of disorganized marketing and low prices, will have something to smile about when they figure up their returns this winter, according to present indications.

Although the revenue for each individual producer will not be known until the pools have wound up their season's activity, total value of the apple crop should be more than $5,000,000. The tree fruit board and cartel organized under the new federal marketing legislation will probably handle about 4,500,000 boxes and, as the general quality of the output this year has been better than usual, good prices should be realized, especially since marketing will be more stabilized than it has been for several seasons.

About 85 per cent of all the apple exports go to the United Kingdom. South Africa will take about 18,000 boxes; Egypt and Palestine about 35,000 boxes. Argentine and Brazil will absorb 42,000 boxes, and smaller quantities will go to the Orient, Australasia, the West Indies, France and Scandinavia.

The British market has been dull most of the year, and Canadian shippers have endeavored to avoid a glut, which occurred last year. So many B.C. and Nova Scotia apples flooded the British Isles last year that sales of the domestic fruit were seriously interrupted, and a quota was threatened if there was a recurrence of that situation. Canadians wish to avoid a quota and so will watch their step this year. The British home-grown apples have now been pretty well absorbed, so that sales of B.C. produce should rise rapidly from now on.

Business Briefs

Car Loadings in the week ended Oct. 27 numbered 55,402 as compared with 56,873 in the previous week and 49,500 in the same week a year ago.

Wheat Flour production in August and September amounted to 2,665,419 barrels as compared with 2,836,375 in the same months of 1933.

Failures in the week ended Oct. 27 numbered 30 as compared with 18 in the corresponding week of last year. Failures for the year to date number 1,182 as compared with 1,828 in the same period of last year, a decrease of 35 per cent.

Contract Awards Well Maintained In Past Month

Construction contracts awarded in October, at $11,152,700, were approximately $1,300,000 lower than in the previous month, but the number of contracts awarded showed a considerable increase. In September, a single contract of $3,500,000 in British Columbia helped boost the total, while in October, the largest single contract was one for $600,000 awarded in Ontario. Ontario contracts were about double the total for September.

Residential building showed improvement over both the previous month and October a year ago, while contracts awarded for business buildings were higher than in September. Industrial building was quiet.

Contracts awarded by types of building and by provinces follow:

Construction Contracts Awarded

(a) By Types of Construction

	Oct. 1934	Sept. 1934	Oct. 1933
	$	$	$
Residential	2,771,200	2,319,900	2,682,700
Business	3,510,200	2,627,700	5,408,700
Industrial	712,300	1,153,300	3,443,100
Engineering	4,159,000	6,393,100	3,479,800
	11,152,700	12,494,000	15,014,300

(b) By Provinces

	$	$	$
P. E. I.	58,000	97,100	42,400
N. S.	91,800	416,400	320,600
N. B.	200,900	140,000	445,600
Que.	2,737,300	2,835,700	4,469,900
Ont.	6,360,800	3,306,400	9,032,200
Man.	507,600	470,600	152,200
Sask.	164,700	123,000	25,900
Alta.	294,000	584,400	208,100
B. C.	737,600	4,520,400	317,400
	11,152,700	12,494,000	15,014,300

Commodity Prices

DULL trading was reported last week from all commodity markets on the continent. Winnipeg showed a slight tendency to strength during the week and closed somewhat higher although export demand remained small.

Monday's markets in the United States saw traders holding the sidelines in anticipation of the Tuesday holiday with the result that softness was evident.

Decline in British bacon prices was reflected in the Canadian price of hogs, but lamb prices were strong.

	Latest week	Previous week	Same week last yr.
Cattle, cwt.	$5.25	$5.00	$4.80
Copper, lb.	.09	.09	.0825
Cotton, lb.	.1235	.1250	.0975
Rubber, lb.	.1295	.1387	.0818
Sugar, raw, lb.	.0282	.0280	.0330
Silk, lb.	1.22	1.22½	1.55
Wheat (Man.) bu.	.79½	.75⅝	.62⅞
Coffee, lb.	.09¼	.09¼	.07¼
Hogs	8.85	8.95	6.25

Weekly Indices

N. Y. Annalist	115.1	115.5	105.6
Fishers'	78.7	78.8	†63.6
N. Y. Journal of Comm.	75.6	75.6	70.8
Crumps (Brit.)	63.9	63.8	†63.4
U. S. Labor	76.2	76.4	70.4
Canada (D.B.S.)	71.3	....	71.4

† Average, 1933.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.)			
Retail (Sept.)	79.0	78.7	78.5
W'sale (Sept.)	72.0	72.3	68.9
U. S. Labor (Aug.)	76.4	74.8	69.5
Gt. Brit. (Aug.)	71.2	69.8	69.2

Note: Indices on all base 1926 — 100, except N. Y. Annalist which is 1913 — 100. British index is Board of Trade converted to 1926 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lbs.; top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15. New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis: hides—heavy native steers; coffee—Rio No. 7, spot, New York; hogs—select bacons, Toronto.

Dr. Chase Medicine Co. Buys Oakville Factory

Dr. Chase Medicine Co. has purchased the uncompleted factory and office building erected by Heaters of Canada Ltd. at Oakville, Ont.

The new owners, it is understood, will spend $20,000 on changing the building and will eventually, after the disposal of the present office building in Toronto, move office and factory to Oakville.

Business Indicators Of Canada . . .

Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA —Latest— 1934	1933	Cumulative Total — Jan. 1 to date 1934	1933
Transportation—				
Car loadings (Oct. 27)	▲55,402	49,500	1,915,981	1,656,128
C.P.R. gross earn. (Oct. 31) .. $	▲4,416,000 $	3,683,000 $	103,651,000 $	92,125,000
C.N.R. gross earn. (Oct. 31) $	▲6,626,916 $	4,679,457 $	138,624,994 $	118,472,013
Business Conditions—				
Weekly index D.B.S. (Oct. 27)	▲95.4	84.4	....	....
Business failures (No.) (Oct. 27)	▲30	18	1,182	1,828
MONTHLY DATA				
Business Conditions—				
Financial Post index (Sept.)*	98.9	90.8	......	......
Transportation—				
C.P.R. net earnings (Sept.) .. $	3,033,580 $	3,003,328 $	13,670,107 $	9,971,451
C.N.R. net revenue (Sept.) .. $	2,010,244 $	2,058,358 $	7,142,505 $	907,373
Iron and Steel (September)—				
Pig iron production (tons)	43,019	30,738	279,090	133,870
Steel ingot prod. (tons)	57,489	38,630	585,162	266,829
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (September)	3,017	2,722	56,237	36,173
Factory output (August)	9,904	6,079	103,102	50,881
Trucks and Buses:				
Domestic sales* (September)	923	719	9,790	4,775
Factory output (August)	2,579	1,160	20,286	7,781
Exports (August)	4,971	3,919	36,477	12,598
Construction—				
Building permits (September) $	2,247,784 $	1,986,903 $	19,024,000 $	16,394,014
Contracts awarded (Oct.) .... $	▲11,152,700 $	15,014,300 $	109,297,800 $	78,445,000
Newsprint (tons)—				
Production (September)	196,172	179,416	1,882,207	1,448,552
Exports (August)	183,829	165,880	1,537,127	1,140,419
Sugar (lbs.)—				
Melting & shipments‡	87,892,557	76,857,654	601,084,210	572,578,024
Manufactured‡	86,934,082	87,616,868	587,062,267	573,374,868
Flour (bbls.)—				
Production (September)	▲1,383,205	1,392,683	10,338,837	10,401,681
Wheat flour exports (Sept.)	369,320	552,556	3,723,048	4,090,271
Trade (September)—				
Imports $	42,207,602 $	38,698,416 $	377,249,292 $	281,064,416
Exports $	58,135,136 $	57,784,804 $	459,164,136 $	359,947,804
Wheat exports (bush.)	17,588,359	19,866,351 $	109,999,305 $	128,061,430
Employment (Oct. 1) D.B.S. Index—				
All industries	▲100.0	90.4	....	....
Manufacturing	▲94.4	86.7	....	....
Electric Power Output (September)—				
Total monthly (000's omitted)	1,627,289	1,489,322	15,278,820	12,525,146
Aver. daily	54,243,000	49,644,000	....	....
Other Industrial Indices—				
Lumbering:				
Plank & board exports, mill (September)	123,163	112,039	1,023,953	613,855
Boot & shoe prod., pr. (Aug.)	1,866,183	2,237,179	12,515,146	13,035,938
Crude petrol. imp. gal. (Sept.)	118,210,821	108,097,228	792,997,113	605,947,117
Cotton imports, lbs. (Aug.)	8,535,000	10,584,000	86,439,000	61,140,000
Raw rubber imp., lbs. (Sept.)	6,205,577	5,868,575	46,981,864	28,639,451
Coal imports, tons (Sept.)	1,593,859	1,464,060	9,803,038	7,934,798
Finance—				
Bank debts† (September) ... $	2,580,851 $	2,457,108 $	23,324,418 $	21,828,717
Bond sales (September) ...... $	17,065,600 $	777,099 $	325,832,572 $	299,292,551
Life insurance sales (Sept.) .. $	26,123,000 $	27,443,000 $	274,818,000 $	282,392,000
Automobile Financing—				
Used cars (September) ...... $	1,040,121 $	764,400 $	11,150,535 $	8,491,244
New cars (September) ...... $	1,352,349 $	836,969 $	14,383,683 $	8,573,464

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. ‡For 4 weeks to October 6. *Final.

LESS RESTRICTION EXPECTED IN 1935 BY HARDWAREMEN

U. S. Trade Did Better in 1934 But Codes Difficult

By H. L. SOUTHALL
Managing Editor "Hardware and Metal," Toronto.

ATLANTIC CITY, N.J. — While wholesale hardware firms of the U.S. turned a net loss of 3.78 per cent for 1932 into a net profit of 1.51 per cent in 1933, and while manufacturers and wholesalers generally reported improvement in business and a certain degree of satisfaction with code administration, it was nevertheless apparent to those attending the annual convention of the National Hardware Ass'n. (wholesalers) and the American Hardware Manufacturers' Ass'n here recently that business problems show little diminution either in number or severity.

Greater and greater concentration of buying power so as to secure greater bargaining power is still the cry of merchandisers despite all the alleged advantages for the small business man in the N.R.A. codes. Mass buying and selling of chain, mail order and department stores, made more irksome to established wholesalers and retailers through the super-buying activities of groups of chains and department stores which now pool their buying to equal the price advantages of the biggest marketing organizations, came in for much consideration. Wholesalers are considering pooling their buying power in order to compete and to place their retail customers in position to meet competition.

Dissatisfied With Codes

Much dissatisfaction and a good deal of commendation was heard for codes. Selfishness of individual companies in pulling for special advantages is said in some instances to have brought compromise codes which in turn have been revised by government employees having little or no knowledge of the business concerned, with the result that such codes are almost hopeless. On the other hand there are many codes which have eliminated former unfair discrimination in favor of certain groups and which have cleared the air by requiring the posting of prices and declaration of policy on the part of manufacturers as to whom and at what price they sell.

Many other codes reflect inability to reconcile the conflicting views of manufacturers of a certain commodity who have different sales policies. Some sell direct to consumers, others direct to retailers, others sell practically entirely to chain and mail order firms while others remain with the conventional marketing process through wholesalers to retailer. It is little wonder therefore that much friction has developed, and that many pricing policies have resulted which place the wholesaler in no position to meet competition. The chief fight of the wholesalers has been for a differential below the cost to mail order and chain stores, still many manufacturers continue to place the latter two groups on the same basis or on an even more advantageous price basis than wholesalers.

Some Advantages

Nevertheless it is the feeling that while higher costs through N.R.A. have cut into profits of many manufacturers, the codes have brought advantages to employees and have stimulated business. A definite improvement in business was reported for the last few weeks and it was the feeling that with this maintained and the November elections out of the way, business men would have less justification for concern as to the administration swinging farther to the left or going in for more burdensome control.

The opinion seems to be definitely held that the codes have accomplished a certain amount of good, but that they will enter upon next year in a much shrivelled form.

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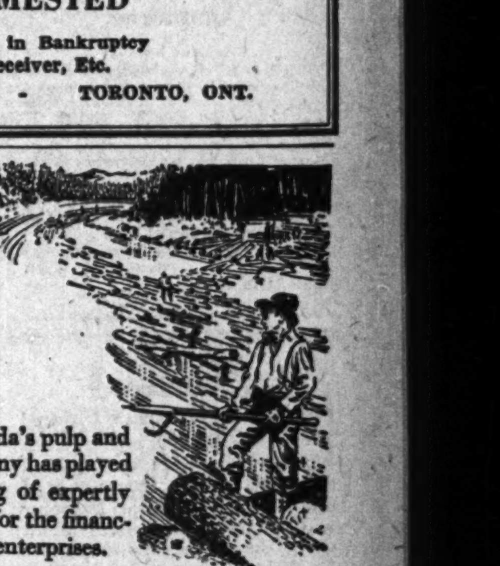

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DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 286

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after SATURDAY, the FIRST day of DECEMBER next, to Shareholders of record at close of business on 31st October, 1934.

The Annual General Meeting of the Shareholders will be held at the Banking House of the Institution on MONDAY, the THIRD day of DECEMBER next.

The Chair to be taken at noon.

By Order of the Board.

W. A. BOG JACKSON DODDS
General Manager General Manager

Montreal, 19th October, 1934.

The Canadian Bank of Commerce

Dividend No. 191

NOTICE is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1934, and that the same will be payable at the Bank and its Branches on and after Saturday, 1st December next, to shareholders of record at the close of business on the 31st October, 1934. The Transfer Books will not be closed.

By Order of the Board,

S. H. LOGAN,
General Manager.

Toronto, 19th October, 1934.

Borden's

99th Consecutive Common Dividend

A quarterly dividend of forty cents (40¢) per share has been declared on the outstanding common stock of this Company, payable December 1, 1934, to stockholders of record at the close of business, November 15, 1934. Checks will be mailed.

E. L. NOETZEL,
Treasurer.

The Consumers' Gas Company of Toronto

NOTICE
of
ANNUAL MEETING

The **ANNUAL GENERAL MEETING OF THE SHAREHOLDERS** of The Consumers' Gas Company of Toronto, to receive the report of the Directors, for the Election of Directors for the ensuing year and for the transaction of such other business as may properly be transacted at the meeting, will be held in the Company's Auditorium, 55 Adelaide Street East, Toronto, on **MONDAY**, the **12th DAY OF NOVEMBER, 1934**, at 12 o'clock noon.

By Order of the Board,

ARTHUR HEWITT,
General Manager.

Toronto, October 10th, 1934.

Champlain Oil Products

Limited

Preference Share Dividend No. 5

NOTICE IS HEREBY GIVEN that Preference Share Dividend No. 5 of Fifteen Cents ($0.15) per share, being at the rate of 60 Cents per share per annum, has been declared by the Board of Directors of CHAMPLAIN OIL PRODUCTS LIMITED, with respect to the outstanding Preference Shares without nominal or par value of the capital stock of the Company, for the Quarter ending on the 31st day of October, 1934, to be paid on the 15th day of November, 1934, to Shareholders of record at the close of business on the said 31st day of October, 1934.

JOHN E. L. DUQUET,
Secretary.

November 2nd, 1934.

Anglo-Huronian Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of Forty (40c.) cents per share on the issued Capital Stock of the Company has been declared payable December 1st, 1934, to Shareholders of record at the close of business November 22nd, 1934.

By Order of the Board,

J. INGRAM,
Secretary-Treasurer.

Toronto, November 2nd, 1934.

McKinley Mines Securities Co., Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of two and one-half per cent (2½%) on the issued Capital Stock of the Company has been declared payable December 1st, 1934, to Shareholders of record at the close of business November 15th, 1934.

By Order of the Board,

J. INGRAM,
Secretary-Treasurer.

Toronto, November 2nd, 1934.

Noranda Mines, Limited

DIVIDEND NOTICE

NOTICE is hereby given that an interim dividend of $1.00 per share, payable in Canadian funds, has been declared by the Directors of Noranda Mines, Limited, payable December 20th, 1934, to shareholders of record at the close of business, December 5th, 1934.

By Order of the Board,

T. N. HAY,
Secretary-Treasurer.

Toronto, November 1st, 1934.

The Housing Problem In Canada 1.

Canadian Slums Will Disappear If Over-Crowding Is Made Crime

British Experience Shows State Building Fails in Object—In Canada Might Hamper Potential Building Revival

By WELLINGTON JEFFERS

Canadians everywhere will applaud any well conceived and sound plan for steady elimination of bad housing in city and country throughout the Dominion. Such a report, for instance, as that made by the Toronto Housing Committee headed by Dr. H. A. Bruce, Lieutenant-Governor of Ontario, will get the closest study from coast to coast. The Financial Post proposes to discuss it and similar housing studies in early issues.

The social and humanitarian desirability of such plans, however, should not prevent taxpayers everywhere scanning with critical insight every proposal for state or municipal building which may be attached to slum clearance plans. British and Canadian experience with post-war building schemes of this kind has shown them in most cases to fail in accomplishing the main aims held in view. They err in attacking the symptoms rather than the disease; they see that bad housing has evil results on humanity and civilization, but fail to think soundly on the other side of the picture that human beings themselves produce the slums.

Advocates of state housing projects should first make it very plain that far greater progress would come from following the plan of making landlords and tenants in slum districts themselves responsible for making conditions better and by making supervision stricter and stricter. Plans for housing the very poor are apt to be abortive if not part of a well-considered town-planning or zoning programme. In other words, all building should proceed along intelligent lines laid by town planning or zoning authorities. The Bruce report is especially insistent that housing plans will be abortive if this does not occur.

Ontario Will Spend Millions

As this is a problem which every province and even the Dominion, as well as most municipalities, will sooner or later have to consider, the keenest interest will attach to the proposals of Hon. David Croll, minister of welfare in the Ontario Government. At first sight his plan has all the good intentions and some of the economic misconceptions that have attended projects of this kind in the past. He promises millions of dollars next spring for the destruction of ramshackle dwellings in congested areas of Ontario cities and their replacement by modern, sanitary homes at reasonable rentals. This intention is set forth in a communication addressed to Ewart G. Humphries, secretary of the Hunger Marchers Association. Enabling legislation at the next session of the Legislature will be enacted to permit such municipalities as Toronto, Ottawa, Hamilton, St. Catharines, Windsor and London to embark on state-aided schemes for lifting the minimum housing standards in the province. Sooner or later similar proposals can be expected in every Canadian legislature, whether these come with the sponsorship of governments or as the proposals of private members. Straight thinking, therefore becomes of first importance to every citizen.

Should Go, But How

As sponsored by Dr. Herbert Bruce, Lieutenant-Governor of Ontario, the humanitarian arguments for such reforms are irresistible. There can be no full concurrence of opinion in the further suggestion of Hon. Mr. Croll, however, that these plans will lead to the employment of a large army of skilled workers, that they will give a needed stimulus to the building industry and that expenditures of this kind will in part take up funds that would otherwise go for relief.

Unless these plans of Hon. Mr. Croll are prepared with the utmost care and initiated with great caution they may put the building industry in a deeper bog than it is in already and thus put more men out of work than are employed as a result of the schemes. Unless the new dwellings can be built for rentals corresponding with those now obtaining in the slum districts referred to, the present slum dwellers will be driven elsewhere under the economic urge that took them to the slums in the first place. In that case the problem is transferred, not settled.

Government a Bad Builder

The British example will be cited as an additional argument for Canadians to abolish the slums. It is true that a five-year campaign is under way in the United Kingdom to demolish slums and build modern flats in their place. It would be well for Canadians to study as well the British Government adventures in the building industry from 1920 to 1930 and to find out especially what their costs are to be for the "modern flats." The rentals they propose for such flats are probably below what Canadians can achieve at present.

There has been a boom in British building ever since 1931 when the British Government got out of the way of the building industry, Herbert Casson, the Canadian-born editor of "Efficiency" magazine, whose articles have found wide following on both sides of the Atlantic, is authority for the statement that "the dearest and worst built houses ever built in England were built by the Government from 1920 to 1930." The building boom began when the red tape was unwound from the building industry and it is now plain, he says, that there would have been no building problem in England if the Government had kept out of the business. Most of the houses built in England since the war have been since the Government got out of the business in 1931. The speculative builder and the building societies together solved the problem.

Though the British Government has abandoned its former five billion dollar programme, it still intends to pull down the slums and to secure the destruction of every building unfit for human occupancy. It does not think that building of modern flats will interfere in any way with the private builder and the building societies who can still supply the demands of those who are ambitious for something better than they have been having. It hopes to get costs a little lower than the private builder because the Public Works Loans Board can get money at 3% per cent.

Will Slum Substitute Work?

The British Government would be undertaking almost the impossible if it tried to clear all expenses in building, operating and maintaining these flats and keep rents under those of houses provided by the building industry. The building industry and the building societies between them are appealing to people who are earners, who have some ambition and who want to improve their condition in life. The Government proposes to limit its modern flats to those whose housing conditions are most deplorable and who can reward efforts made in their behalf the least. It also proposes to inspect the flats periodically afterward to see that the occupants do not reproduce slum slovenliness and insanitary habits in their improved dwellings. Low rentals is the only answer, because slum demolition in the past has sent slum dwellers to other areas, and a better class of workmen have swarmed in to take advantage of the better dwellings provided. That was good for the latter but the other problem remained unsettled. It is the chief problem for Canadians to face as well.

Private capital as represented by builders and building societies has been rapidly overcoming England's building shortage ever since it was given a chance. In the first half of 1934 there were plans for $175,000,000 to be spent in building and $130,000,000 was for dwellings. The industry has been creating new houses at the rate of 1,000 daily, and four out of five have been built by private enterprise at prices which should make home owners in Canada gasp.

Low Prices in England

It is improbable that builders in Canada can build new brick houses for the average British price of $3,000 and sell them $300 down and $6 a week. The profit of the builder per house is stated to be $500. It is still more improbable that a state-fostered building enterprise in Canada can come anywhere near such prices except by absorbing huge losses. As in England, the most expensive houses (and many of them were unsatisfactory as well) built in Canada were under state aid and municipal supervision. The British builder provides a $5,000 house for $375 down and $7 a week in payments. If allowed to build frame dwellings he could produce $1,000 and $1,500 houses at very low payments.

It is claimed that a man in England earning $2 a day can finance the purchase of a well-built and comfortable house in 15 years at no more than what would be rent in Canada for a worse house. That is a challenge to the building industry and the lending organizations of Canada and it is beyond the collective wisdom of elected representatives to accomplish without their aid.

Herbert N. Casson describes a typical $3,125 semi-detached brick house now being provided by builders in England. It has a dining-room and drawing room each 13 ft. long, three bedrooms, a large tiled kitchen, a tiled bathroom, a separate lavatory, a radio set, an electric clock, a gas cooker, a gas boiler and space for a garage. This house can be bought at $125 down and installments of $4.37 a week and it is only 12 miles from the centre of London. The great majority of such new houses are being built on the outskirts of great cities. The Government projects concern congested areas within the cities and propose to create good housing only for those who now have bad housing conditions.

Over-Crowding a Crime

Most citizens of Canada want to improve their condition. They are willing to pay for what they get as soon as the price is brought within their reach. That applies to housing as well. Good houses on modern lines with terms of payment as easy as those in England would find many takers. The building industry should make public various plans with costs to show what can be done for people whose earnings are not in the high brackets. Governments and municipalities could co-operate best by gradually stiffening laws regarding minimum accommodation. England proposes in the end to make over-crowding a crime. Canadian cities could probably aid most efficiently by imposing obligations on both landlord and tenants to see that premises are safe and healthy for occupancy and that accommodation is sufficient for separation of sexes and health requirements of every occupant. These requirements should be made stiffer and stiffer as years go by until all "slum" houses are destroyed.

Adequate financing facilities for such houses in Canada are still lacking. In England the situation is easier because 1,013 building societies have two and a half billion dollars of assets intended for no other purposes. They borrow from the general public at four or five per cent and will lend to house buyers up to as high as 90 per cent of the total price. Builders design and construct the houses and they co-operate closely with the building societies.

Canada Malting Co. Limited

NOTICE

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Shareholders of CANADA MALTING CO., LIMITED, will be held at the Mount Royal Hotel in the City of Montreal on Tuesday, the 13th day of November, 1934, at the hour of twelve o'clock noon, to receive and, if thought fit, adopt and approve the Annual Statement and Auditors' Report, to elect directors and appoint auditors for the ensuing year, and fix the auditors' remuneration, and to transact such other business as may properly come before an Annual Meeting.

AND NOTICE IS FURTHER GIVEN that, at the said time and place, a Special General Meeting of the Shareholders of the Company will be held for the purpose of considering and, if approved, sanctioning the action of the directors in passing By-law No. 7 of the Company, providing for the amendment of Paragraph 21 of By-law No. 1 relating to the duties of auditors and the fiscal year, copies of which By-laws may be inspected in business hours at the Executive Offices of the Company in Toronto.

By order of the Board,

JOHN P. HEIGHTON,
Secretary.

Montreal, Quebec, October 23rd, 1934.

NOTICE to holders of Share Warrants under the regulations of the Company adopted by the Company.

Holders of Share Warrants, in order to vote at the above meeting, must deposit their share warrants with the Toronto General Trusts Corporation, the Transfer Agent of the Company, or with a chartered Bank, and receive a voting certificate, which must be produced at the meeting or filed with a proxy before the meeting. Forms for this purpose can be obtained from the Toronto General Trusts Corporation, the Transfer Agent of the Company, at its Toronto office, or from the office of the Canada Malting Co., Limited, Royal Bank Building, Toronto.

DIVIDEND NOTICES

BRALORNE MINES LIMITED

(Non-Personal Liability)

Notice is hereby given that a special bonus of twenty cents per share on the paid-up capital stock of the Company has been declared, payable December 17th, 1934, to shareholders of record at the close of business November 30th, 1934.

By Order of the Board.

W. W. BOULTBEE,
Secretary-Treasurer.

Vancouver, B.C.,
October 31st, 1934.

What Are the Newspapers Saying?

No business man has the time to read hundreds of papers daily; to search their pages for informative data relative to himself or his business.

Our Bureau would bring that service to you daily keeping you constantly and up-to-dately informed of all new developments affecting your business field.

Write us to-day of your requirements.

CANADIAN PRESS CLIPPING SERVICE
481 University Ave., Toronto 2

EXPORT BUSINESS:

Control of well established business, situated in Montreal, is offered for sale. Exceptional opportunities for development of numerous existing contacts, and for expansion into Import. Full particulars to serious enquirers. Price, $10,000.00. Box 54, The Financial Post, Toronto, Ont.

ALDRED TRUST'S LOSSES LOWER IN CURRENT YEAR

Small Improvement Noted in Market Value of Holdings

From Our Own Correspondent

MONTREAL—Aldred Investment Corp. (Canada) profit and loss account for the third quarter of 1934, does not show up so favorably as that for the corresponding period a year ago, but cumulative returns for the nine months are on a better basis.

The company reports that for the three months ended September, 1934, loss after all charges, but before allowing for loss on securities sold amounted to $2,407. This was better than in the same period last year, when the loss, on the same basis, was $5,178. But after taking into consideration loss on securities sold, there was a deficit for the period under review of $6,948, as against a profit of $2,076 in 1933.

For the first nine months of 1934, Aldred Investment had a loss after all charges but before allowing for loss on securities sold of $6,368, compared with $6,583 in the same months last year. With the loss on securities sold taken into account, the deficit for the first nine months of 1934 was $14,612. This is in contrast with a loss of $37,394 for the corresponding period of 1933.

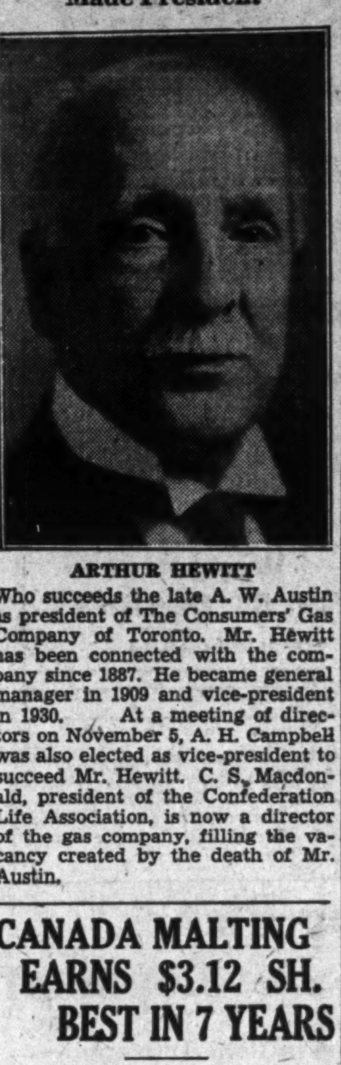
Aldred Investment's balance sheet as at September 30, 1934, shows the book value of securities held at $2,914,994, as against a market value of $1,281,541. At mid-year the cost value of securities in the portfolio was $2,918,582 and the market value $1,306,252. At the end of 1933 the company reported the cost value of securities held as $2,961,377 compared with a market value of $1,238,799.

Montreal Wants Order to go to Canadian Car

From Our Own Correspondent

MONTREAL—Prospects of a Canadian National Railways car order going to an "outside" firm does not meet with the approval of the Montreal City Council when the Canadian Car and Foundry Co.'s big plants at Turcot and Ville St. Pierre are lying idle. Accordingly the City Council has passed a motion favoring the placing of the work with Canadian Car.

Made President



ARTHUR HEWITT

Who succeeds the late A. W. Austin as president of The Consumers' Gas Company of Toronto. Mr. Hewitt has been connected with the company since 1887. He became general manager in 1909 and vice-president in 1930. At a meeting of directors on November 5, A. H. Campbell was also elected as vice-president to succeed Mr. Hewitt. C. S. Macdonald, president of the Confederation Life Association, is now a director of the gas company, filling the vacancy created by the death of Mr. Austin.

CANADA MALTING EARNS $3.12 SH. BEST IN 7 YEARS

Net Profit is Increased From $398,112 to $620,384

Canada Malting Co. reported earnings of $3.12 per share as compared with $2 in 1933, for the fiscal year ended July 31, 1934. By a wide margin this constituted the best earnings in the last seven years and compared with a previous peak of $2.20 per share in 1929. After depreciation, income tax and directors' fees there was a net profit of $620,384 as against $398,112 in 1933. Net earnings were up from $605,582 in the previous year to $917,681. After the regular dividend of $1.50 per share or a total of $298,524 and depreciation of $200,000 against $150,000 previously charged, a surplus of $321,860 was transferred which brought the balance carried forward to $656,491 as compared with $338,107 a year ago.

INCOME AND SURPLUS ACCOUNT

	1934	1933
	$	$
Net earnings	917,681	605,582
Income from invest.	17,043	....
	934,724	605,582
Less: Deprec., reserve	200,000	150,000
Income tax res.	112,000	57,470
Directors' fees	2,340	......
Net profit	620,384	398,112
Less appropriations: Dividends	298,524	298,516
Surplus for year	321,860	99,596
Add: Prev. surplus	338,107	317,270
Less: Addit. deprec. in respect of prev. year	......	78,759
Inc. tax prior yrs.	3,476	....
Balance carr. fwd.	656,491	338,107

Business Satisfactory

"Business during the period under review was maintained in a very satisfactory volume," states A. C. Matthews, president and managing director. "In the year ended July, 1933, export sales were 42 per cent, domestic 58 per cent; in the year just completed, export amounted to 53 per cent and domestic 47 per cent. There has been some improvement in this ratio in the first three months of the current year, when the percentages have been—export 40 per cent, domestic 60 per cent. This improvement is due to the new Ontario law coming into effect last July."

Mr. Matthews added the during the past few years of low grain prices the company had built up an appreciable inventory of finished products. The major part of this accumulated inventory was disposed of for export during the past fiscal year at very satisfactory prices and added to the net profits. This opportunity, he stated, would not occur to the same degree in the current year.

Working Capital up

Total current assets were up from $2,002,603 in 1933 to $2,498,593. Cash, call loans, bonds and other securities showed a decline of about $120,000 to $418,315. Inventories, on the other hand, were up substantially from $987,304 for malt, barley, etc., in 1933 to $1,241,870 in 1934. The increases in the current assets with only a small change in total current liabilities increased the company's working capital from $1,861,120 to $2,329,114.

WORKING CAPITAL

	1934	1933
	$	$
Current assets	2,498,593	2,002,603
Current liabilities	169,479	141,483
Working capital	2,329,114	1,861,120
Ratio	14.74—1	14.15—1

Export Demand Promises Well for Asbestos Corp.

From Our Own Correspondent

MONTREAL.—Shipments of asbestos out of this country since the beginning of the year are appreciably ahead of those for 1933, leading to the expectations that the financial statement of Asbestos Corp. will show an improvement for 1934.

For the first nine months of the current year exports amounted to 108,484 tons of the value of $3,530,947. For the corresponding period of 1933 shipments totalled $95,162 to the value of $2,987,440. The improvement is even more marked if comparison is made with the initial nine months of 1932, when exports aggregated 76,931 tons, worth $2,099,984.

C.N.R. Gross in October Shows Healthy Advance

From Our Own Correspondent

MONTREAL.—Gross earnings of the all-inclusive Canadian National Railways system for October aggregated $15,803,292. This is in contrast with $14,662,314 for the same month last year.

Aggregate gross earnings of the Canadian National Railways for the first 10 months of 1934 total $137,766,001. This compares with $122,878,594 in a like period last year, an increase of $14,887,407.

UNITED BOND'S INCOME COVERS DIVIDEND IN 1934

Market Value of Securities Shows Depreciation Past Fiscal Year

From Our Own Correspondent

MONTREAL. — United Bond & Share Ltd. financial statement for the year ended September 30, 1934, shows a revenue, including profit on sale of investments, somewhat under that reported in the previous 12 months but still sufficient to cover dividends. The balance sheet, on the other hand, shows a decline in the market value of securities held.

For the past year the company reports an income of $17,718 and profit on sale of investments of $10,620. For the 1933 year United Bond had an income of $19,516; premium on New York funds of $3,922; and net profit from sale of investments of $7,943.

Change Surplus Account

Due to changes in the income tax laws affecting the surplus account, the company now shows three separate accounts: revenue and revenue appropriation account; distributable surplus and profit and losses on purchase and sale of investments. The following is a combination of the revenue and revenue appropriation account.

	1934	1933
	$	$
Income	17,718	19,516
Prem. N.Y. funds	....	3,922
Sale of secs.	....	7,943
Total income	17,718	31,381
Less: Managem't fees	1,884	1,908
Taxes and ins.	1,065	1,578
General	448	333
Transfer fees	330	467
Int. on loans	210	...
Discount N.Y.F.	160	...
Balance	13,340	25,816
Brought forward	279	180,598
Distribut. surplus	3,250	......
Total	16,869	206,414
Less: Income tax	904	
Dividends	15,821	17,641
Tax for 1933	144	......
	....	188,773

Values Are Lower

The balance sheet as of September 30, 1934, does not show any material change as regards the total value of assets, amounting to $358,104 compared with $353,451 a year ago. The investment policy leans more toward common stocks than to bonds, as the report shows a book value of common stock investments of $331,252, up from $309,632 a year ago. The market value of these investments is shown at $321,895, as against $336,031 in 1933.

The distributable surplus now stands at $195,314 and profit and loss balance on purchase and sale of investments at $551.

New Manager

MAJOR D. J. O'DONOHUE

Who was recently appointed general manager of Canadian Industrial Alcohol Co.

PLAN TO REORGANIZE PACIFIC COAST TERM.

Bondholders Asked to Approve Judicial Sale to New Company

A plan of reorganization for Pacific Coast Terminals has been proposed to bondholders. The plan proposes a judicial sale of the undertaking as a going concern.

It is proposed to bid in the property for bondholders, which, if successful, would allow the trustee to pay the purchase price by releasing the company from principal debt to the extent of the amount of the purchase. The property would then be re-sold to bondholders. Bondholders are to meet on December 13, to consider the plan. The reorganization will be carried out if not protested by 33 1/3 per cent of the outstanding bonds and providing court approval is obtained.

Under the re-sale plan, cash or securities in a new company would be distributed pro rata among holders of the 6½ per cent first mortgage 20-year bonds. These bonds originally amounted to $1,500,000 and there was also $300,000 of seven per cent 20-year debentures. Interest on the first mortgage bonds was defaulted in 1932, and the Montreal Trust Co., trustee, was authorized to take possession for bondholders on Sept. 15, 1933. Consolidated Mining and Smelting Co. of Canada has an interest in the company through holdings of common shares

The scheme of reorganization is being sponsored by Skaith & Co., and E. H. Rollins and Sons. These financial houses would receive one per cent of the par value of all bonds voted at the meeting, out of the proceeds of the proposed re-sale, as their commission for sponsoring the reorganization.

You Will Feel at Home in the Mount Royal

The minute you step into the friendly, club-like lobby of the Mount Royal Hotel, you will feel "at Home." And here you are at the very heart of the city—only a few steps from anywhere you will want to go. Rates consistent with present times.

Write, wire or telephone for reservations.

MOUNT ROYAL HOTEL
MONTREAL

J. Alderic Raymond
President
Vernon G. Cardy
Managing Director

Up—

The figures below are self-explanatory and are published in response to repeated requests for information as to the effect of the price change to $1.00 per year and 5c. per copy, on the circulation of Maclean's Magazine.

76% Increased orders received through sales staff during the month of October, 1934, as compared with September.
The new price of $1.00 was in effect and produced extra business during the last two weeks of September, so that the increase in October, as compared with September, is an increase over an increase in September.

133% Increase from local agents for the month of October, 1934, as compared with September.

103% Increase from cash mail (renewals) during the month of October, as compared with September.

48% Increase in single copy sales through dealers only on September 15th issue, as compared with September 1st issue.
This increase was obtained with comparatively small extra distribution.

65% Increase in single copy sale, dealers and boys, on the two September issues, as compared with the two August issues.

Figures will be published on the net single copy sale on October issues as soon as returns are complete and accurate figures can be given.

Editorially, Maclean's is —

NATIONALLY-MINDED—It isn't edited from an armchair.
INDEPENDENT—No string save that of public interest.
BLUNT—when bluntness is needed.
FAIR—in giving the other side.
NEWSWORTHY—Presenting the news behind the news.
CRISP—in its style.
CLEAN—Copies never have to be hidden.
GROWING—That is why.

What Our Readers Are Saying—

Reference Value of Articles

May I congratulate you on the decision to reduce the price of Maclean's Magazine from ten cents to five cents, and at the same time express the hope that this policy will quadruple the circulation.

I have found both entertainment and instruction in the columns of the magazine, and many of the articles I have taken out and preserved because of their reference value.

—H. S. D., Toronto.

Price Down, Quality Up

When the price goes down on an article, the quality too often follows suit, but not so with Maclean's. It seems to me to be more interesting than ever.

—L. W., Toronto.

Newsworthy

I realize that Maclean's Magazine presents, as does no other Canadian periodical, the newsworthy events of Canadian life as well as good stories and articles of a general nature.

—C. H. Samson.

Twenty Year Record

I have been a continuous reader since 1914, when I obtained material for my "orals" at school from your "Review of Reviews." In twenty years there has not been a single copy that has not had courageous, timely articles by capable writers, and fascinating fiction. I say this in all sincerity and because I look on your publication as an old friend. And congratulations on your new price. It's the best five cents worth I know.

—(Mrs.) J. G. W., Chatham, Ont.

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Maclean's
Canada's National Magazine

481 University Ave.,
Toronto

THE FINANCIAL POST
SECOND SECTION
Vol. XXVIII PUBLICATION OFFICE: TORONTO, NOVEMBER 10, 1934 No. 45

Canada's Biggest Problem

THE C. N. R. BURDEN

Co-operative Plan Ignored —No Independent Study by Experts

WHY are Canada's railways not co-operating to cut the losses of the C. N. R. and restore the financial strength of the C. P. R.?

What are the C. N. R. trustees doing to justify the extensive powers granted them?

When the Duff Commission recommended a trial of "Co-operative Competition" they provided a partial solution of the railway problem that at least deserves a fair trial. The Commissioners, after exhaustive analysis apparently came to the conclusion that some steps toward the remedy of Canada's railway difficulties could be taken in two ways:

> First, by economic and efficient administration of the Canadian National Railways under a non-political board of trustees, of whom the chairman would be a virtual railway dictator;
>
> Second, by co-operation with the Canadian Pacific Railway, to cut out some of the obvious duplication of services that was running our railway bills up to an alarming degree.

The Government and Parliament agreed. The trustees were appointed and machinery was set up for co-operation between the two railways.

Chairman Fullerton, of the Canadian National Railways, apparently agreed. In any event he took on the job of making the Canadian National Railways pay. He assumed whatever responsibilities were inherent in the Duff recommendations and the new railway legislation. The essence of that legislation was:

1. No politics;
2. Strict economy;
3. Co-operation with the C. P. R.

For a while, economy measures ruled and co-operation with the C. P. R. was stressed. Then co-operation ceased and like a thunderbolt from the blue came Judge Fullerton's public disparagements of economy, his assurances that everything was going to turn out all right anyway.

• • •

Complete Record of Co-operative Measures

THE Financial Post has endeavored to compile a complete record of co-operative measures undertaken between the Canadian National Railways and the Canadian Pacific Railway. Here is the list which is not official but which is probably complete:

Canadian National Railways—Canadian Pacific Railway
Co-operative Measures in Effect on 1st November, 1934

Passenger Train Service

Two agreements for the pooling of passenger train services have been completed in regard to the following services:

1. April 2, 1933—A limited pool was formed in which the Canadian Pacific withdrew its fast afternoon trains between Montreal and Toronto, and the Canadian National withdrew certain services between Ottawa and Toronto.
2. March 11, 1934—The limited pool was extended by the withdrawal of Canadian National through services between Montreal and Quebec (excluding Maritime services) and the Canadian Pacific withdrew its morning trains between Montreal and Toronto.

	Estimated Savings
Estimated Annual Joint Savings	$1,100,000
Joint Freight & Passenger Facilities	
1. June 16, 1933—Car-cleaning staffs at Quebec were consolidated under C. P. R. supervision effecting an annual saving of	17,736
2. July 2, 1933—Canadian Pacific Station at Gladstone was closed and joint use of Canadian National freight and passenger stations was arranged with an annual saving of	2,800
3. Dec. 1, 1933—Car-cleaning and repairing staffs at Saint John were consolidated under C. N. R. supervision, effecting an annual saving of	10,163
4. Jan. 1, 1934 — At Fredericton the Canadian Pacific freight office and shed and the Canadian National Passenger Station were closed, arrangements being made for the joint use of the remaining facilities with an estimated annual saving of	8,895
Joint Switching—Yard and Industrial	
Nov. 1, 1933—At Portage la Prairie arrangements were completed whereby each company performs the yard and industrial switching in alternate months with an estimated annual saving of	7,500
Hauling of Freight by One Railway for the Other	
1. Nov. 13, 1933—Arrangements were completed in connection with Pacific Coast grain traffic under which Canadian National grain traffic originating in the Calgary district is hauled to Kamloops by the Canadian Pacific and an equivalent amount of Canadian Pacific grain traffic originating in the Edmonton district is hauled to Kamloops by the Canadian National with an estimated annual saving of	60,000
2. Dec. 1, 1933—Arrangements were made for the haulage of Canadian National traffic between Fredericton and Vanceboro by the Canadian Pacific with an estimated annual saving of	9,000
3. Dec. 28, 1933—Freight traffic formerly interchanged at Lennoxville is interchanged at Lower Sherbrooke with an annual saving of	4,416
Total annual Joint Savings in Effect November 1, 1934	$1,220,510

Judge Fullerton and his two associate trustees took office on January 1, 1934. Only two of these co-operative arrangements have become effective since they took office.

Only two of them—the pooling of trains between Toronto and Montreal-Ottawa and the pooling of trains between Montreal and Quebec—have produced large savings. The smaller ones would have to be multiplied many times, by a vastly increased number of the economy measures that are possible before any approach to a solution of the problem would be made.

• • •

New Co-operation Measures Apparently Abandoned

THE implication of this statement is clear. The C. N. R. chairman declares that all the savings that could be made by a scheme of amalgamation are available by co-operation between the two roads. Yet co-operation has died.

It may be that the Canadian National Railways has tried to obtain the co-operation of the C. P. R. and has been refused it. The tenor of Judge Fullerton's recent remarks in Saint John makes this difficult to believe. The fact that F. A. Gaby, new assistant to the president of the C. P. R., has been assigned to study co-operative measures also makes it difficult to believe. And if it be true, Judge Fullerton has authority to call for an arbitral tribunal to force the hand of the C. P. R. He has not utilized this device.

The recommendations of the Duff Commission are not being given a fair trial.

Economy and efficiency, apart from co-operation, are not being given a fair trial.

What would be done by a board of three trustees appointed to take over the affairs of a private business whose losses were endangering the investments of the shareholders?

Their first step would be to call in independent outside experts to make an exhaustive study of the reason for the losses; to make recommendations for economies.

This is what the C. N. R. board should have done.

Some of the recommendations would have been for economies that could only be achieved by co-operation with the C. P. R. Some of them would have been purely internal and could have been undertaken by the Canadian National by itself.

There would have been many recommendations that would have been politically difficult for a government to impose. But the C. N. R. trustees are, by their letters of appointment, above politics.

No such step was taken by the new board. In fact there has not recently been as much attention to measures of economy as there was during the interregnum between Thornton and Fullerton.

The Canadian National trustees have power to slash railway expenses to save the taxpayers millions a year. What is holding them back?

That is what the average citizen, burdened down by taxes, wants to know.

Possibly he could get some information by wiring or writing the Prime Minister stating his views as to the urgency of the railway problem.

FOOLING WITH INVESTMENT FRAUD — BY NORMAN HARRIS

Security Fraud Laws Were Answer to Stock Crooks Who Flourished Under the Protection of Companies Acts, but These Laws Are Not Accomplishing Their Aim

Are we fooling with investment fraud in Canada?

Norman Harris thinks we are and in a series of articles he intends to indicate wherein he feels our present governmental policing of the channels of finance is inadequate.

Mr. Harris was for many years a financial editor, particularly interested in ferretting out stock crooks in order to expose them. He advised the Ontario government on the type of legislation required to combat the stock fraud menace. Later he joined the staff of the security department in Ontario, serving as financial assistant of the Securities Commissioner from 1928 until recently, when in the re-shuffle of the department he anticipated his dismissal by resigning at the time the Securities Commissioner was changed.

Blue sky laws and fraud laws have not stopped investment fraud in Canada.

Despite the fact that the legislatures of nine provinces of Canada have passed, special statutes designed to stop raids against funds of the public on the part of unsound or fraudulent brokers, lightweight promoters and ignorant and rapacious salesmen, the annual loss in the field is still running into many millions of dollars.

No one knows how large the drain is. In United States, although each major and most minor states are also operating stringent Acts to shut out the raiders and inefficients, the annual loss there has been estimated by the Postmaster-General to run to $1,800,000,000. Canada must be tossing fifty million dollars or so down this sink-hole annually, at the rate of a million dollars a week, approximately.

Ontario is Key Province

Possibly sixty per cent or more of all capital used to purchase securities originates in Ontario. In past years I have estimated that some $20,000,000 annually goes astray in Ontario in the directions indicated.

In any event, I know Ontario best. I shall mention Ontario more frequently than any other province. But I know that what applies to Ontario applies elsewhere.

In my opinion, the great part of this loss in Canada is preventable. Although elaborate and costly machinery has been devised by each province to deal with the situation. I cannot see that the remedy is being applied or even that it is in sight.

Fraud Laws Not Working

I think it is a reasonable statement to make, and one that will be backed up by the weight of evidence, that the Ontario Securities Act is not working to the satisfaction of any of the principals who are supposed to be beneficiaries from its administration.

The original Act in Ontario, passed and enacted in the year 1928, was known as the Security Frauds Prevention Act. That statute has now been whittled down in title and is called the Ontario Securities Act.

There were three units in Ontario that called for action to be taken to clean up the investment and promotional and securities field. There were the stock exchanges. There was the body of promotion houses, investment firms, brokers and dealers in securities constituting the firms now known as the Investment Dealers Association. The other unit was the investor or purchaser of securities.

Diverting Investment Funds

Our leading investment houses are not satisfied with our present fraud laws for many reasons. One is that they are forced to compete with an army that is engaged constantly in the manufacture and circulation of imitation or synthetic or unsound or plainly fraudulent securities. Their promoters and salesmen are diverting from proper channels, a tremendous amount of money upon which little or no return is received.

Every province in Canada and the Federal Government, might well conclude that this waste of public funds is an important matter to be reckoned with. It is important to any community, large or small, that its citizens shall not be dishonestly deprived of their capital or savings. If the operation of the nine special Acts before referred to was having the result of preventing this great annual loss to the people who are victims of improper tactics in the investment and securities field, there would be no need now to call attention to the apparent position as it seems to exist in each of the provinces, and notably in the Province of Ontario, where the most business is done.

Using Companies Acts

The situation in Canada in former years was not much different to the present. Years ago it was found that the securities and promotional field was a lucrative one, which was wide open, unpoliced and unregulated. The Federal Government compiled the Companies Act and each of the provinces followed suit. It may seem surprising in these days, to consider that the Companies Act was designed as a measure to put an end to the activities of the promotional gunmen of finance who were defrauding the business man, the farmer and the public generally.

Senator Lynch-Staunton, of Hamilton, refers to the Companies Act as an instrument which helps to produce our present "scandalous securities condition."

The Companies Act was depended upon to curb an unsatisfactory condition. This it never did. As a punitive or disciplinary measure it was practically inoperative. Fraudulent and unsound companies leaped over this little barrier with ease.

George Graham Rice, afterward sent to Penitentiary in United States, put on a speculative and fraudulent ramp in connection with Ely Central Mines and took a lot of money out of Canada. There were promotions in coal, oil, cement, orange groves in Florida, tobacco plants in Cuba, eucalyptus plantations, railway, automobile companies and every department of business and near business.

No Chance of Success

The people engaging in this game did not fear any Companies Act. Instead they used the Act to legitimatize their offerings. They were not real promoters. They were unable to compose the set-up of a corporation built to emerge into success. They loaded their companies at every possible point. They were not capitalists. They possessed no assets of value, and their business ideas were likewise worthless. Their companies were non-economic.

Steel Promotions

As one instance of the failure of the Companies Act, the L. R. Steel promotions may be mentioned. Leonard R. Steel came over the border from New York and Buffalo and informed officials at Ottawa, and later in every other province, that he needed about twenty millions of dollars, which he would like Canadians to subscribe. He made it plain in the official documents filed, that he was going to cover Canada with a great sales force working under high pressure methods, and that if the millions came in, L. R. Steel would make a fortune through the sale of securities; also that he had been careful to earmark a large portion of the potential assets of his chain companies, as belonging to himself. He also acknowledged in the prospectuses his agents filed at Ottawa and Toronto and elsewhere, that if there were any profits from any unit of the great string, he had in advance contrived that he would get the advantage and not the shareholders.

Flourished Charter

In fact, L. R. Steel made a confession of just what he proposed to do. Companies Act officials were perhaps pleased with this open-hearted disclosure. At any rate they handed him Charters and Letters Patent, and opened the door wide to give him full and official access to anyone in Canada who would hand over money for shares to help Steel promotions function. When L. R. Steel came along, I was busy in an unofficial capacity as scrutinizing new securities offerings, trying to test the wares of brokers and salesmen generally, and then telling a portion of the public, in advance, whether the offering was good, bad or indifferent. An examination into the set-up of the L. R. Steel chain seemed to show clearly that here was a greedy promoter at his worst. I advised all and sundry, from the very outset, to "leave all L. R. Steel securities severely alone."

Steel disappeared from the scene as quickly as he came. He was found dead on a train.

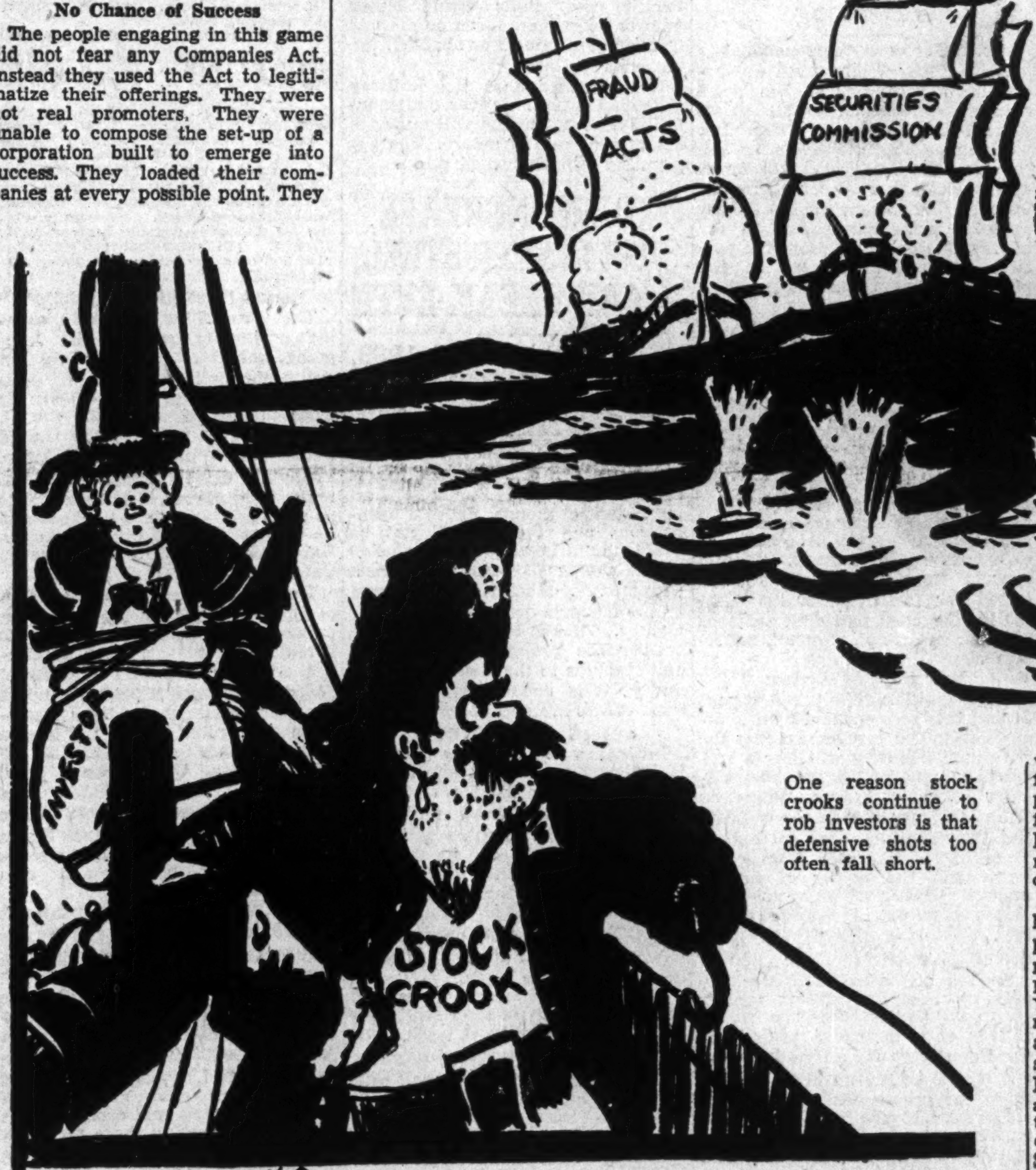
Other Big Booms

Prior to that period, the Cobalt Silver boom arose and the people of Canada contributed millions to promoters from many parts of the world who took the money, made a mild pretence of mining and then took the trains back to Chicago, Kansas City, Batavia and Alaska.

The silver boom was followed by the gold boom. The public lost heavily in both, and all the joint stock companies that were formed in connection with either episode had to pass through a Companies Act, and they found it easy.

Russell Scott Era

Many people will recall the advent of another intellectual promotor by the name of Russell T. Scott. Russell T. Scott proceeded to form a chain of promotions bearing his own name. He came to this country with only a few dollars in his pocket. He would have been powerless if the Companies Act, under which he was obliged to file his prospectus material, had put him through a sifting process designed to test his potential usefulness in the community or the substance of his pretensions that he was an expert banker, a wealthy financial man, an economist and a purveyor of glittering opportunities for compiling huge profits to those lucky enough to hand him over their money. The Companies Act welcomed Russell T. Scott as a citizen.



One reason stock crooks continue to rob investors is that defensive shots too often fall short.

Scott then proceeded to outline a huge advertising campaign. He plastered one striking advertisement in the public press: "If Your Earning Ability is equal to your Yearning Ability"—and the remainder of the display incited men and women to come in and join the sales forces to sell securities for Russell T. Scott. He caused an advertising agency to extend credit to him. It happened that at the outset of the career of Russell T. Scott as a promoter, the writer was visited by the head of another advertising agency, who was desirous of enquiring into the responsibilities of this new star in the financial field. I told him bluntly that if he gave any credit to Russell T. Scott he would probably lose his money.

His Rise and Fall

My contention is that some official of the Companies Act might perhaps have taken somewhat similar ground. Scott formed company after company. People were eager to get some of his shares. He finally formed a corporation to sell shares in his own fiscal company, that is, in the Russell T. Scott Corporation, which was operating all the others. He went away up into the atmosphere attended by a blazing aura of money sparks contributed by the people of Ontario and of Canada. He came down like a stick.

Russell T. Scott after losing a very large volume of money for other people, most of which he spent in the three well known directions, escaped across the border, became a drug fiend and finally hanged himself in a cell in a United States jail.

Blue Sky Laws

The Russell T. Scott episode, as well as that of Leonard R. Steel, arose prior to the advent of any special act in Ontario or elsewhere, designed to protect the purchaser of securities against illegitimate or unbalanced operators in that field. It may be well however, to recall these instances of "come-on" promotions of the past to show that there was a position which called for a remedy if the wholesale fleecing of incautious buyers of securities was not to continue indefinitely.

The present security laws were the answer. These acts are what I wish to analyze in this series.

What I hope is that the series will be given consideration by the premiers, the attorneys-general, and government officials and members of our legislatures; and also that the sound investment and financial houses of Canada may scrutinize these articles, weigh the arguments and facts to be presented, and then come to a conclusion.

If that conclusion coincides with mine, it will be to the effect that the wrong kind of Act is being employed in the attempt to alleviate the condition of great loss being suffered by the public; and that if it is not accurate to say that the wrong form of act is being employed, it is nevertheless true that men unfitted to administer an efficient act, are today in charge of the statutes which should protect the public from undue loss in the purchase of bonds, stocks and similar securities.

Experience of Writer

The above is not an idle statement; it is a considered one. Perhaps I should indicate here some of the background that produces it. For quite a few years the writer was charged with a duty of examining and passing on the merits of securities to be issued by new corporations, and then advising the public. Later on, when the Province of Ontario had passed and enacted the Security Frauds Prevention Act in May, 1928, the writer stepped into the department to assume the position of financial assistant in connection with the administration of that measure. From the year 1929 until October, 1934, I had the advantage and the opportunity of testing any theories I may have formed as to what kind of protective Act would be best calculated to meet actual conditions, which had to be faced by those operating the Security Frauds Prevention Act.

My object in presenting these articles is, after demonstrating that the special measures in force are not doing the work expected of them, to show where they are wrong, and finally what steps can be taken to effect a cure.

Says Ottawa Must Lead In Drought Reclamation

Premier Bracken Asks Co-operation of Provinces, Railways, Experts and Individuals — Suggests Ten-year Plan

Joint effort on the part of the provincial and federal governments, technical experts, communities, railways and individuals is needed in a programme of reclamation of the drought area in western Canada, Premier John Bracken of Manitoba told members of the Canadian Club of Winnipeg in a recent address: "It must be clear to all," he said, "that the problem has now assumed proportions of national scope. It is surely self-evident that it can only be adequately met by generous co-operation."

The federal government, he continued, while it should be expected to co-operate, should not be asked to carry the whole load. Unfortunately, he pointed out, the municipalities and provinces concerned and the individual farmers had little money to contribute. He hoped, however, that the provinces would come forward with the offer of the services of such technical men and departments, without charge, as could be utilized.

Outlines Programme

Briefly, in Premier Bracken's opinion, the programme of such a body—largely financed by the federal government and with the help of provincial experts—should be designed on a ten-year plan, as follows:

1. Reclamation of the drought lands.
2. Rehabilitation of the farms within the drought area.
3. Conservation for the whole West.
4. Sound development of all our land resources.

Specific Recommendations

Expanding under these four heads, Premier Bracken said, in part:

"The reclamation programme should provide for a thorough survey of the area affected or likely to be affected. Such a survey should include a soil survey, a topographical survey, a survey of the native vegetation, a survey of the precipitation, temperature and other climatic records, and a review of the record of agricultural production. The report should be accompanied by specific recommendations regarding agricultural production plans for each separate soil zone.

"The reclamation programme should also provide for the creation of forest or grass land reserves on any obviously inferior land areas; it should provide for tree planting for protective purposes on the open land; it should provide for the construction of dams in streams, wherever economically feasible, and it should provide for the construction of dugouts for water storage purposes on lands where stream water is not available and where well water is not obtainable or is for any reason unsuitable. It should provide for an intensive programme of education on the best methods of soil management and crop production in areas of low precipitation, and where the soil is likely to drift. It should emphasize the necessity of saving the 'run-off' water, and of lessening evaporation and wind velocity.

Rehabilitation

"The Programme of Rehabilitation should provide for the rehabilitation of the farmer's finances, his buildings, his fences and his machinery.

"In connection with the rehabilitation of the farmer's finances, the creditor institutions should be called into conference and I would like to hope a definite policy of generous debt reduction agreed upon. In connection with rehabilitation of his buildings, fences and equipment, some provision for loans for the restoration of these to a normal state of repair should be found, otherwise we shall all profit less because a number are hampered in their wealth-producing efforts by inefficient equipment.

Conservation

"The programme of conservation should provide for the conservation of water, the conservation of our forests, and the conservation of soil fertility, not alone in the dry belt but in the whole area.

"In connection with water conservation, a thorough survey of all our streams and underground waters as well should be entered upon; and, as suggested for the rehabilitation of the drought area, dams should be constructed wherever practicable, wind breaks established on all open areas, suitable tillage and soil management practices encouraged, and 'run-off' and evaporation losses minimized.

Forest Reserves

"In connection with the conservation of our forests, our present forest reserves should be more carefully guarded; the boundaries, wherever practicable, should be extended; new reserves should be established on all lands not suitable for agriculture but suitable for trees, and tree planting on a generous scale around farmsteads for protective purposes, and eventually for wood, should be provided on every farm in the open plains.

"The programme of sound development of our land resources should commence with the Government land department, and apply to every owner of land in the province. It should require the withholding from sale for farming purposes of all government land likely to be found submarginal; it should provide for a thorough survey of all new agricultural areas before putting them on the market; it should provide for the development of suitable farm management practices for each type of soil under each different set of climatic and economic conditions; it should encourage the adjustment of our tillage methods to new conditions, and it should provide for the modification of our notions of soil fertility, by demonstrating that soils can be maintained and improved and the crops produced thereon increased by the intelligent use of fertilizers.

"Nor should this be all. It is not sufficient to dam streams, and plant trees, sow poor land back to grass and follow the best soil and crop practices in the world. It is not enough to abandon poor land, to save the 'run-off' water and to lessen evaporation losses. It is necessary, as well, that we all take a lesson from the history of the past, from Joseph's experience with corn in Egypt. Some provision for a reserve of seed and feed and money in the fat years must be encouraged, because dry conditions, and grasshoppers and soil drifting and lean years are inevitable and will come again in some degree in spite of our best plans.

"It is unfortunate but it is true that in the last two generations man has worked to his own present disadvantage as far as the water supply in our dry areas is concerned. In seeking how to get his crops in early in order to avoid frost and rust, and in building roads and ditches for transportation and drainage purposes, he served well his immediate needs, but it is now shown these practices have not utilized to the best advantage the moisture provided in the form of rain and snow.

"It is perhaps well that we should remind ourselves that wet years will come again, that the southwest will again blossom. But just as wet years will come again so will dry cycles follow."

Dominion Loans Raise Financing Above '33 Level

New government and municipal financing in October amounted to $271,898,920, compared with $225,750,450 in the same month of 1933, according to an analysis by Wood, Gundy & Co. The total for the 10 months to Oct. 31 was $539,064,237, or some $15.8 millions higher than in the same 1933 period. The increases for both the month and the 10-months period were due to larger financing by the Dominion Government.

It is pointed out that over half of the 1934 conversion loan was sold in the 15-year maturity, carrying 3½ per cent, and yielding 3.81 per cent at the offering price of 96½. The 1934 conversion was $25,000,000 larger than the 1933 October loan, and, in addition, the Dominion sold $20,000,000 of treasury bills in the 1934 month.

Comparative figures follow:

Canadian Government and Municipal

10 Months to October 31:	1934 $	1933 $
Dom. Govt.	400,000,000	408,000,000
Prov. Govt.	120,249,000	73,881,238
Ont. Municipal ...	4,985,171	14,197,423
Eastern Municipal	13,600,066	27,013,388
Western Municipal	230,000	157,000
Totals	539,064,237	523,249,049
Sold in Canada ...	433,000,371	390,249,049
Sold in U.S.A.	50,000,000	60,000,000
Sold in U. K.	56,063,866	73,000,000
Totals	539,064,237	523,249,049
Month of October:	**1934**	**1933**
Dom. Govt.	270,000,000	225,000,000
Prov. Govt.	1,115,000	....
Ont. Municipal ...	316,220	479,278
Eastern Municipal	394,700	264,172
Western Municipal......	73,000	7,000
Totals	271,898,920	225,750,450

EARNINGS HOLDING FOR CAN. VINEGARS IN CURRENT YEAR

Expect About Same as 1933 When $1.73 Per Share Shown

Another good year is anticipated for Canada Vinegars in the annual report which is expected in January. The fiscal year ends Nov. 30. In 1933 this company earned $1.73 on the 92,000 common shares outstanding which was slightly better than in 1932 and 20 cents less per share than in 1931. For the current year, it is understood, earnings will be on about the same level as in 1933.

Sales Unchanged

While sales have been down in certain sections of the West, it is believed that any falling off in this part of Canada has been largely offset by gains in the Eastern provinces where the pickling season was about normal. Inventory which has varied from around $275,000 in 1931 to $324,410 in 1933 is not expected to show much change and the same is true of net earnings, which amounted to $249,494 in 1933, as against $233,150 in the previous year.

Depends on Pickles

The company was organized in 1928 to acquire a company of the same name which was a consolidation of several vinegar companies operating across the Dominion. It is the leading manufacturer of vinegar in Canada and its earnings are closely associated with both private and commercial pickling. While the lighter crops of fruits this year will affect the total output of the canning industry, it is understood that there has been little change in the production of vegetables like cucumbers, onions and tomatoes, which go into pickles.

Wheat

British Demand Better

REPORTED better millers' demand for Canadian wheat in England, combined with some actual export orders, resulted in strength on the Winnipeg market at the beginning of this week. Further, reports from the Argentine stress the unfavorable conditions there, too much rain falling in the northern sections with threats of further rust damage elsewhere. Some of the lower wheat grades have been in demand during the past week for immediate delivery.

Liverpool was startled last week by the strange report from Washington forecasting a 1935 wheat crop of between 690,000,000 and 890,000,000 bushels with a considerable surplus for export. The winter wheat acreage, however, is not expected to change much from last year, while the spring wheat acreage seems sure to be affected by lack of seed and other aftermaths of the drought conditions.

* * *

Still Many Grasshoppers

INTENSIVE surveys of the drought area in the Prairie Provinces indicates that while infestation is almost as great as last year, the type of grasshopper is different. Hopes that the grasshopper epidemic is now waning and that 1935 would see the insects reduced to about normal numbers will not be realized. Egg beds have been found to be almost as numerous as last year but the type of grasshopper is changed from the varieties which lay their eggs in grain fields or tall grass to those which infest short grass. This means that the difficulties of protecting new crops will not be as great as in past years. Egg beds are now being staked out so that poison bait can be spread effectively when the hoppers begin to hatch.

* * *

Russia Sells Self

RUSSIA has been shipping some of her own wheat from Black Sea ports to Vladivostok, an unusual development. Custom in former years has rather been to sell Black Sea wheat to other countries, and to make some small imports of foreign wheat later in the season at the Pacific Coast.

Reports of such transactions in previous years have more than once given rise to mistaken reports that Russia was very short of wheat and would have to buy extensively. They rather indicate the difficulties of internal transportation in Russia, also reflected by the fact that it has been possible for thousands of deaths to take place from famine in parts of the country, while other parts have been reasonably well supplied, and when food could have been imported at comparatively slight cost.

Trans-Canada Shares May Pay 25c on Dec. 1

The December 1 dividend on Trans-Canada shares, based on results to date, will be at about five per cent according to the sponsors of this fixed trust, Trans-Canada Investment Corp., Vancouver. Since the current offering price of the shares is about $10 this would indicate a half-yearly payment of 25 cents a share, on Dec. 1.

Trans-Canada shares had their inception in June, 1933, and have paid regular semi-annual dividends. The last payment was 17.6 cents a share on June 1, 1934, and the original dividend was 13.84 cents per share in December, 1933. Each of the Trans-Canada shares represents a 1/1000th interest in common shares of fifteen leading Canadian corporations.

G. Alex. Forbes President Taylor-Forbes, of Guelph

G. Alex. Forbes has been elected president of the board of Taylor, Forbes Ltd., foundry manufacturers of Guelph. He succeeds his father, the late George D. Forbes.

S. Craig Evans, managing director, has been elected vice-president, and Alex. Forbes a director.

Grain and Milling in Canada

U. G. GROWERS PROFIT $963,881 SHOWS ADVANCE

Dividend Nearly Earned as Against Nil in Preceding Year

From Our Own Correspondent

EDMONTON, ALTA.—A successful year's operations was disclosed by the annual report of United Grain Growers, Ltd., presented by the president, R. S. Law, to the shareholders' delegates at the 28th annual meeting of the company in Edmonton.

The operating profit for the fiscal year ended July 31, 1934, was $963,881 as compared with $363,529 in preceding year. After appropriations, including interest on bonds and mortgages of $205,692 and provision for full depreciation on capital assets of $469,918 against half depreciation in previous year, there was a net operating profit of $216,284. In addition, there was a profit arising from redemption of company's bonds during the year of $35,740. In the preceding year there had been a deficit of $141,564.

The earned surplus account carried forward from the previous year was $560,350, of which $106,890 has been transferred to capital surplus while memberships were written down $50,350, leaving in the earned surplus account $403,111. This was increased after inclusion of past year's results to $655,135. Out of this amount a dividend at the rate of 4 per cent, or $1 per share, was paid amounting to $126,937. There is, therefore, an amount carried forward in the earned surplus account of $528,198.

Much Grain Stored

The report stated that while small crops were harvested in Canada in 1933, which gave the company a comparatively small handling of grain, financial results were improved by the fact that there had been carried forward from the previous year a very considerable quantity of grain, earnings on which accrued during the year in question.

Reduced Mortgage Debt

The company's funded and mortgage debt, $3,824,359, is less than the corresponding amount for the previous year by $392,031 as a result of bond redemption and payment of mortgages provided for during the year. Included in the latter was the final payment to the Manitoba Government on elevators purchased several years ago, which were formerly part of the Manitoba Government elevator system.

Mortgages due the Alberta Government in respect to advances made to the Alberta Farmers' Cooperative Elevator Company prior to its amalgamation in United Grain Growers, Ltd., have been reduced from a former total of over $1,100,000 to $177,359.31.

Reserves Exceed $4,000,000

The company's original bonds issued amounted to a total par value of $4,500,000, while the total par value of bonds now redeemed through sinking fund or acquired in advance of retirement is in excess of $1,000,000. Against country and terminal elevators and other capital assets of a total of $10,837,063.22, the total reserves for depreciation now stand at $4,046,794.

In addition to the company's paid-up capital and earned surplus already mentioned, there is a general reserve of $1,710,282, and a capital surplus of $143,690, making the total for capital, reserve and surplus $5,536,541.

Forced Pooling Of Farm Produce Not Considered

From Our Own Correspondent

VANCOUVER.—So far as British Columbia is concerned, compulsory central selling of agricultural produce and direct price-fixing is definitely out.

The provincial government has been spending a good deal of time lately on a programme for local enforcement of the federal marketing legislation. The authorities here feel that to depart from the spirit of the Ottawa measure in any respect, especially with regard to compulsion, would only invite legal complications and lead ultimately to breakdown of the marketing system.

The commodity boards to be set up will have ample power, however, to prevent the sale of commodities below any price they choose to consider reasonable. This can be accomplished by cancelling the license of a producer who tries to sell at a lower price or by refusing him the right to sell his produce at all.

As for central selling, the government contends that under the provincial, as well as the federal, act any person who operates a selling agency in compliance with the official regulations should not be prevented from doing so. Thus the hope of many fruit growers for a central selling agency has been killed.

The government will rely on the co-operation of producers to effect orderly marketing and avoid glutted markets. There will be no monopolies. The province sees a limit to its powers of market control and is determined to remain within that limit.

LITTLE STRENGTH ADDED TO MARKET BY GOV'T PEGGING

New System of Pegging Used — Should be Weakening

From Our Own Correspondent

WINNIPEG—While some observers have professed to see some strength contributed to the wheat market by the action taken last week in pegging the levels for December and May futures it is by no means clear that so far there has been any important effect. A few speculators were attracted to the buying side on the feeling that possible losses were limited by the peg, and that there might be a chance of a rise.

That is not a sound theory, as previous experience with pegs has shown, and it is doubtful if very much buying came in on that account, as most traders would reflect that the government might later lower its idea as to a proper price level, as it has already had to do. Other markets as well as Winnipeg gained strength concurrently, primarily, it seemed because of some apprehension in the Argentine as to extensive rust damage, and also reports from Australia that the hoped for improvement in wheat out-turn as compared with previous estimate might not, after all, materialize.

New Pegging System

The peg differs from previous pegs in that it is accompanied by a guarantee from the government that the government agency will buy a sufficient volume of futures from elevator companies to cover hedges on grain they purchase in the country. But the guarantee does not extend to taking over trades from other longs, and the holder of futures might be in the position of not being able to close out his transaction except by taking delivery of grain during the contract month.

Such a guarantee falls considerably short of undertaking to buy all wheat that farmers are yet to deliver at a minimum price. For one thing there is no time limit set, and it is to be presumed that if and when the government agency lowers its selling price it will also lower its buying price. Then the guarantee applies only to contract grades of wheat deliverable at Winnipeg, and not to lower grades, which may possibly have to be sold at greater discounts as the proportionate quantity of such grades included in daily deliveries increases.

Not Felt At Vancouver

Nor does it, nor the full effect of government purchases, apply to grain in Vancouver. That partly accounts for the fact that Vancouver wheat is selling at a considerable discount under Fort William and Port Arthur wheat quoted on the Winnipeg market, for the full effect of artificial support is not felt at the western port.

RATE JUDGMENT VITALLY AFFECTS COAST MILLERS

Ask Railway Commissioners to Reduce Rate on Feeds

From Our Own Correspondent

OTTAWA.—The interests of the milling industry of the Pacific Coast are vitally involved in a case now awaiting decision by the Board of Railway Commissioners. Thomas Reid, Liberal member for New Westminster, made application recently for a reduction in freight rates on feed grains and mill feeds. In doing so he acted for the Fraser Valley Farmers' Co-operative Association.

Mr. Reid alleged the existence of "unjust discrimination in freight tolls on feed grains and mill feeds moving from points on the Canadian Pacific and the Canadian National in the three Prairie Provinces to points in British Columbia for domestic or local consumption." He desired domestic rail rates to be reduced to export levels.

Double Export Rate

The export rate on these items is 20 cents per 100 lbs., against a domestic rate of 41½ cents. He pointed out that there is little or no difference in eastbound export and domestic rates either from the prairies to Fort William or from Fort William to Montreal.

The Alberta Government entered the case, supporting Mr. Reid in part. The Alberta argument was that the differential between export and domestic rates on all grain flour and mill feed shipped to the coast should not exceed 3 cents per cwt. The railways and other interests opposed the application.

Judgment Soon

It is pointed out that the flour mills on the Pacific coast now pay 41½ cents per bushel to bring wheat from the prairies to their mills and they could scarcely compete if prairie mills were able to ship feeds across the mountains for 20 cents per cwt. The result would be that Pacific coast mills would either have to take severe losses on the sale of their by-products or abandon the business.

It is learned that the Railway Commission will deliver judgment in the near future and will maintain the present rate structure. The application will be turned down.

ORDERS INCREASE FOR DISHER STEEL, MAY BREAK EVEN

Business Ahead of 1933, But Last Two Months Important

Disher Steel Construction Co. has been sharing in the general business improvement, The Financial Post understands, though definite comparisons and figures will not be available until nearer the conclusion of the company's fiscal year which ends Dec. 31. Much will also depend on the business done in the last two months. Though November and December are generally regarded as quiet months in the construction industry, it is understood that fair-sized orders are still being received.

Well Ahead of 1933

Business so far, for this company, is believed to be well ahead of a year ago when a net loss of $28,694 was reported but there is no indication that it will compare with 1930 when $3.98 was earned on the preferred stock and $1.37 on the common. In that year the net profit was $51,765. If the company breaks even or a little better in the current year it would be about as much as could be expected, it is stated.

The company manufactures and designs all kinds of steel structures and miscellaneous steel work. The bulk of the orders received recently, it is understood have been small with few over a hundred tons as compared to seven or eight hundred of a few years ago. The business has not been confined to one or two industries but represents bridges in highway construction and plant extensions for the most part. The improvement in the company's outlook has been most marked toward the end of the year, it is understood, and is of too recent origin to be considered as indicating a permanent trend.

WALKER EARNINGS OVER NINE TIMES RECORD OF 1933

Earned $4.40 on Common and $7.30 on Preferred

FIELD WIDENS

Changes Entire Aspect of Company's Industrial Position — United States Has Now Chief Operation

Earnings of $3,366,267 after depreciation and all taxes by Hiram Walker, Gooderham & Worts Ltd., for the year ended August 31, 1934, were more than 9 times those of the previous year and were the highest ever made by the company in any year. It amounts to $7.31 a share on 461,131 preferred shares as compared with 77 cents in 1933 and 41 cents in 1932. Common earned $4.40 a share on 660,000 shares outstanding, the first time earnings have been shown since the change in capital structure in March, 1932.

Though there was improvement in Canadian business during the year, most of this great increase in earnings was due to the fact that the United States abandoned prohibition on December 5, 1933 and that since then the United States has become the main theatre of operations for the company. However, the new distillery created at Peoria, Ill.—stated to be the largest and most modern in the world—has only been in operation since late June and operations of this huge plant for September and October are not included in the report. W. J. Hume, president, however, states that already operations are 50 per cent of the capacity of this plant.

Consolidated Income and Surplus Account Years Ended Aug. 31

	1934 $	1933 $
Earnings	4,514,001	*370,741
Other income	5,000	....
	4,519,001	*370,741
Less:		
Directors' fees	8,271	......
Depreciation	267,682	......
W/o improv.	198,616	......
Organ. expenses	29,392	......
Govt. inc. tax	421,800	......
U.S. cap. stock tax	97,620	......
U.S. inc. tax	129,352	......
Net profit	3,366,268	*370,741
Less appropriations:		
Pref. dividends	461,131	481,450
Surplus for year	2,905,137	§110,709
Add prev. surplus	4,395,843	4,662,260
Div. from sub. cos. prev. period	7,875	....
Less: Inc. tax prior yr.	39,767	24,938
Loss on life insur.▲	....	15,252
Bal. carried forward	7,269,088	‡4,511,361

*After provision for depreciation, bad and doubtful accounts and contingencies, but before income tax. ‡Before providing for dividends payable September 15. §Deficit. ▲Difference between premiums paid and cash received on life policy surrendered.

Market Possibilities Multiplied

The tremendous change in earning position shown by the foregoing table is matched by an entire change in the operating position. One year ago Canada was its chief theatre of operations though it exported at times to the United States and to the world at large. Today its chief business is in the midst of a market 12 times as large as Canada's. In future it expects to do many times the business in the United States that it has done in Canada.

The position of the Canadian company will remain interesting for many years because the spirits inventory of the company in Canada and Great Britain (valued at $7,066,636) covers 13,908,818 original gauge imperial proof gallons whereas in the United States, the largest market, there are only 3,018,917 original gauge United States proof gallons valued at $2,183,769. The relatively higher inventory value per gallon of the United States spirits is because it includes a large proportion of bottled and case goods ready for sale.

W. J. Hume, president, states it will be the policy of the directors to reduce the inventory of spirits in Canada over the period of the next few years to some five or six million proof gallons and, on the other hand, materially to increase stocks in the United States. Storage facilities of about 7,000,000 United States proof gallons have already been divided at Peoria and arrangements are now proceeding there for additional storage for a further 3,500,000 proof gallons.

Quick Export Possible

Apparently the company expects to move the Canadian supplies much more quickly in the next few years than it has done in the past year. On August 31, 1933, its supplies of proof spirits were stated to be 14,500,000 proof gallons and unofficial statements have been made during the year that about one million gallons have been transferred to the United States. If this was so, the Canadian supplies and the British supplies must have been added to during the year, by about half a million gallons. Apparently it is the expectation of the company to sell 8,000,000 gallons of the Canadian company's surplus products to the United States in the next few years.

Expansion Out of "Rights"

Increase in the fixed assets during the year from $8,640,197 to $14,723,409 represents the investments of the company in the new distillery at Peoria and the rectifying plants at Detroit, Jersey City and San Francisco. The reserve for depreciation of plant and equipment now stands at $5,121,988, so fixed assets are really shown on the books at the net figure of $9,601,422.

Cash reported at the end of 1933 was $4,255,369 and dropped in 1934 to $806,246. Accounts receivable in this period went up from $1,112,374 to $3,097,630. The company found it necessary to make bank loans of $3,500,000 further to finance the immense programme. Accounts payable at the end of 1933 amounted to $286,783 but the greater scale of business brought it up to $846,000 on August 31, 1934.

Working Capital

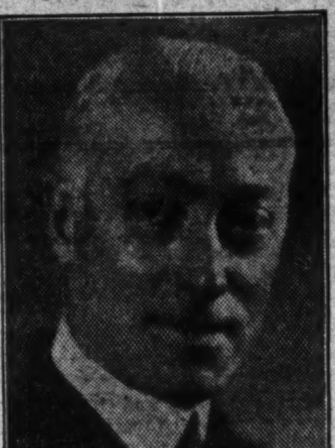
	1934 $	1933 $
Current assets	17,339,343	14,963,254
Current liabilities	5,669,237	402,301
Working capital	11,670,106	14,560,953
Ratio	3.07—1	37.19—1

Current liabilities still included on August 31 $548,986 for construction in progress, $421,800 reserve for Canadian income taxes, $178,690 reserve for United States taxes, $58,076 for miscellaneous reserves and $115,205 for dividend payable. There is also a reserve for contingencies of $525,893. Earned surplus was increased during the year from $4,395,843 to $7,269,087.

During the year, the company reduced the preferred issue by 1,253 shares to 460,818 shares outstanding. This makes total retirement to date 199,182 shares. The company wrote down goodwill account by $2,159,339, using discounts arising from redemption of preferred shares, less discount on bonds sold and a capital surplus item.

With respect to holding company, Hiram Walker and Sons Distilleries, Inc., and subsidiaries in the United States, profits were $1,092,355. There remained a net of $431,774 after providing for all charges. These charges included a loss on purchase commitments of $157,794 resulting from changes in the United States Federal labeling regulations. These rendered stocks of labels and cartons obsolete. The amount written off leased premises was $198,616. There were total deductions of $304,000 for depreciation, organization expenses and taxes, etc., in the United States.

Joins Nickel Board



ROSS H. McMASTER

President of the Steel Co. of Canada, who has been elected a director of International Nickel Co. of Canada.

U.S.-CANADA ATTEMPT SALE OF HAY, STRAW

U. S. Plans New Buying Policy — West Alone Benefits

From Our Own Correspondent

OTTAWA—Important changes in governmental policies regarding hay and straw at Washington and Ottawa have occurred in the past few days.

When President Roosevelt, by executive act on August 10, removed the duty of $5 per ton on hay and straw imported from Canada, it was believed at Ottawa that the fodder stocks of this country might be seriously depleted and an order-in-council was passed placing these exports under a licensing system.

Limited Application

It now emerges, however, that the presidential order removing the tariff has only a limited application. Free entry into the United States market is granted only to fodder which has been bought by relief organizations in the drought stricken areas or by farmers in these areas owning livestock. The drought-stricken districts are in middle-western states, the Dakotas, Montana, part of Minnesota and the states to the south.

In view of this change in the original order issued by President Roosevelt, the Ottawa authorities have modified the licensing system. From Manitoba boundary eastward no restrictions are being placed upon exports. Nor are exports from British Columbia being regulated.

Difficulty in Method

Present difficulties arise chiefly out of the method of purchase. It appears that Washington urged the Dominion or the Prairie governments to act as agent for the United States drought areas in purchasing hay and straw. Ottawa refused and it is believed the provinces also refused, on the ground that disputes and disagreements might ensue as between the agent and the sellers as well as the purchasers.

In the past few weeks, commission men from the United States have been very active in Manitoba and, to a lesser extent, in Saskatchewan. It is reported that very large quantities of wheat straw have been bought for export. Purchases of hay are also substantial.

Alberta May Lose Out

Albera, however, has lost out in this export trade. Hon. George Hoadley, minister of agriculture, recently visited Washington seeking orders for fodder. The main difficulty is that freight rates from central and northern Alberta where the fodder surplus exists to the United States drought areas is from $12 per ton up and this price is greater than the United States authorities care to pay.

Efforts are being made by the Alberta Government to concentrate fodder supplies at key points and seek lower rates on the basis of volume shipments.

The reason given is that Manitoba and Saskatchewan have plenty of fodder available. These provinces are within reach of the U.S. drought area without changes in freight rates. To subsidize Alberta shipments is regarded here as an unjustifiable discrimination against farmers of the other two provinces. Moreover, Ottawa feels unable to ask for rate reductions which primarily will benefit U.S. farmers.

Wheat Straw Wanted

As understood at Ottawa, the purpose of the United States authorities is to purchase wheat straw rather than hay or low grade grain. They are not seeking a sustaining diet for their livestock from Canada. This will be found in soya bean meal and in similar foods which they are importing largely from the Orient.

It is estimated here that there are at least 1,000,000 tons of such hay available in the Prairie Provinces for export to the United States. A survey of wheat straw stocks has been attempted but as farmers on the prairies have never regarded it as of value, no accurate estimate is possible. That there are many millions of tons available, however, is certain.

LAW WOULD USE GRAIN COMMISSION IN INVESTIGATION

Members of Grain Board Qualified Experts, He Says

From Our Own Correspondent

EDMONTON—R. S. Law, president of United Grain Growers, in Edmonton for the annual meeting of the company, issued the following statement on behalf of the board of directors of the company:

"Controversy has developed on two related questions, first as to whether any bear raid at Winnipeg on wheat prices was recently attempted by interests outside of Canada, and second, what regulation or supervision of the grain exchange is desirable in the future as a safeguard against such attempts.

"It is obvious that such matters are not to be satisfactorily settled by a series of contradictory statements issued to the press, or by representations by interested parties made direct to the Government. Both matters evidently demand impartial enquiry and recommendation, and the obvious body to undertake these would be the Board of Grain Commissioners for Canada, if it held the necessary power.

"Since its reorganization under the revised Canada Grain Act, which gave it very wide powers, it has commanded the respect and confidence of the country. Its chairman, Mr. Ramsay, is a man of large experience in the practical handling of grain. Its membership includes a distinguished economist, Dr. McGibbon, thoroughly familiar with the whole subject of grain trade regulation, who has been associated with different grain enquiries in the past, and as a member of the Turgeon Commission, assisted in framing the most valuable report on the subject ever made in Canada. Its whole membership has been in constant contact with the operation of Canada's grain marketing machinery for years.

"It is true that under the Canada Grain Act as it now stands, grain exchanges are specifically excluded from the jurisdiction of the Board of Grain Commissioners, but there should be no difficulty in giving the members of the board the status of a commission of enquiry to conduct exhaustive enquiries as to matters of fact, to receive representations and to make recommendations.

"Highly organized as it is, the Board of Grain Commissioners is capable of further useful service, and it would be unfortunate if its availability and capacity for such work, as now seems to be required, should be overlooked."

N. B. International Paper Increase Wage Payments

From Our Own Correspondent

MONTREAL. — Effective from November 1 employees of the New Brunswick International Paper Co. receive a 5 per cent increase in wages. This is one of the units going to make up Canadian International Paper, subsidiary of International Paper Co., which has undertaken to pay higher wages and salaries to its employees in recent months.

Key Facts About Wheat

	Week bu.	Previous Week bu.	Same Week Year Ago bu.
Canadian Wheat in Store:			
Fort William, Nov. 2	60,906,648	59,909,144	64,607,712
Country elevators, Oct. 26	98,152,999	96,943,839	102,296,956
Total, all points, Oct. 26	249,639,350	245,533,972	249,007,817
World Shipments, incl. flour:			
North American, Nov. 3	3,407,000	3,855,000	4,153,000
Argentine, Oct. 26	1,557,000	2,793,000	1,360,000
Black Sea*, Oct. 26	320,000	112,000	1,824,000
Australian, Oct. 26	2,262,000	1,241,000	912,000
Total, world, Nov. 3	10,169,000	9,134,000	9,358,000
Visible Stocks:			
Canadian, Nov. 3	138,591,000	134,403,000	134,915,000
United States, Nov. 3	100,700,000	103,079,000	141,880,000
Argentine, Oct. 26	15,431,000	16,166,000	9,920,000
Australian, Oct. 26	25,000,000	27,488,000	9,496,000
Country Marketings and Exports:†			
Canadian exports, Oct. 26	3,411,219	2,675,705	4,037,493
Cum. to Oct. 26 (13 weeks)	39,282,168	35,870,949	46,723,716
Country marketings, Oct. 19	12,960,738	15,440,267	10,420,017
Cum. to Oct. 19 (12 weeks)	122,604,579	109,643,841	118,335,982
Country deliveries, Nov. 2‡	8,499,000	10,123,000	6,879,000
Country loadings, Nov. 2‡	6,828,000	8,485,000	5,638,000

*Includes So. Russia. †Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to November 6

Crop year from Aug. 1, 1934 High	Low		Open Oct. 31	High for week	Low for week	Close Nov. 6
		Wheat				
.95	.74⅛	October	.74⅝	.74¾	.74⅛	.....
.97	.74⅞	December	.75⅛	.79¼	.74⅞	.79
1.00½	.79⅛	May	.80¼	.83⅞	.79⅛	.83¾
		Oats				
.48	.39⅜	October	.40¾	.41⅛	.40⅜	.....
.47⅝	.38½	December	.39¾	.44¼	.39¾	.42¼
.49⅝	.39¾	May	.40¼	.43½	.40¼	.43½
		Barley				
.64⅝	.48½	October	.50¾	.50¾	.50	.....
.63¾	.49	December	.51⅞	.52⅝	.50⅝	.52¼
.65	.50¾	May	.53	.55¼	.52½	.55¼
		Flax				
1.73½	1.26	October	1.30½	1.30½	1.29¼	.....
1.74¾	1.19	December	1.32¾	1.36⅛	1.30⅛	1.34¾
1.73½	1.28	May	1.37½	1.42⅝	1.35	1.40¼
		Rye				
.77	.51⅛	December	.52¾	.56⅞	.52½	.56⅞
.80½	.55½	May	.56⅝	.60⅛	.56⅝	.60⅛

Lake of The Woods Milling Company, Limited

And Its Wholly Owned Subsidiary Companies

CONSOLIDATED BALANCE SHEET AS AT 31st AUGUST, 1934

ASSETS

Property Account:				
Land Water Power, Buildings Machinery and Equipment			$7,653,797.35	
Less: Reserve for Depreciation			2,355,686.47	$5,298,110.88
Deferred Charges to Revenue				24,152.68
Investments in Controlled Companies (Held by the Trustee for the Bondholders)				679,270.00
Investments in and Loans to Other Companies				55,617.00
Goodwill, Trademarks, etc				250,000.00
Cash on Hand and in Banks (Net)			60,989.50	
Accounts Receivable: After providing for Bad and Doubtful Debts			631,311.96	
Wheat, Flour, Feed, Bags, Etc. As per Inventories			2,555,848.21	3,248,149.67
				$9,555,300.23

LIABILITIES

Capital Stock				
Authorized: 200,000 Shares of No Par Value. 15,000 Shares of 7% Cumulative Preferred Stock of $100.00 each.				
Issued: 147,689 Shares of No Par Value			$2,953,780.00	
15,000 Shares of 7% Cumulative Preferred Stock of $100.00 each			1,500,000.00	$4,453,780.00
First Mortgage Bonds 6% Due 1st May, 1941: Issued and held by the Banks as collateral to Loans		$4,000,000.00		
Bank Loans Secured as Above and Under Section 88 of the Bank Act			2,992,000.00	
Accounts Payable			631,932.74	3,623,932.74
Reserves:				
Provision for Employees' Retiring Allowance			125,000.00	
Insurance Reserve			44,629.93	169,629.93
Surplus:				
Balance at 31st August, 1933			905,585.89	
Profit for the year after providing for Income Taxes, but before providing for Interest and Depreciation		$803,261.89		
Less: Interest	$215,890.22			
Depreciation	185,000.00	400,890.22	402,371.67	1,307,957.56
				$9,555,300.23

Contingent Liabilities:
Guarantee of $1,481,500.00 5½% Bonds of Inter City Baking Company Limited.
On Customers' paper under Discount—$183,208.37.

NOTE: Dividends upon the Cumulative Preferred Stock accrue from 1st September, 1931.

On behalf of the Board { RODOLPHE LEMIEUX / JAS. W. PYKE } Directors.

MONTREAL, 29th September, 1934.

We have examined and audited the Books and Accounts of the Lake of the Woods Milling Company, Limited, and of its Wholly Owned Subsidiary Companies for the year ended 31st August, 1934.

The Investments in Controlled Companies have been revalued and appear in the Balance Sheet at what, in our opinion, might be considered a fair valuation.

The Investments in and Loans to other Companies have also been revalued and are conservatively stated.

The Inventories of Stocks on hand have been certified by officials of the Companies, and we have satisfied ourselves as to the basis on which they have been valued.

Subject to the above remarks, we report that we have obtained all the information and explanations we have required and that, in our opinion, the above Consolidated Balance Sheet as at 31st August, 1934, is properly drawn up so as to exhibit a true and correct view of the state of the Combined Companies' affairs according to the best of our information and the explanations given to us and as shown by the Books of the Companies.

RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A., Auditors.

HōVIS FLOUR

There is a growing demand in Canada for bread baked from Hovis Flour. Hovis Flour contains a large percentage of pure wheat germ—widely recommended by eminent doctors. Hovis Flour is milled and sold in Canada exclusively by

WESTERN CANADA FLOUR MILLS CO. Limited

Head Office, Toronto Branches from Coast to Coast

BARNETT-McQUEEN COMPANY LTD.

Designing Engineers and Contractors—All Classes of

GRAIN ELEVATORS — WAREHOUSES

DOCKS — AND HEAVY STRUCTURES

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"Nothing too Large or too Small"

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FORT WILLIAM, ONTARIO

British America Elevator Company, Limited

WINNIPEG - MANITOBA

We Own and Operate 130 Country Elevators in MANITOBA - SASKATCHEWAN - ALBERTA

Licensed Country Grain Warehousemen

Commission Merchants — Track Buyers

Members:

Winnipeg Grain Exchange Chicago Board of Trade

Minneapolis Chamber of Commerce

NORRIS GRAIN COMPANY

LIMITED

WINNIPEG AND TORONTO

PRIVATE WIRE SERVICE

GRAIN AND STOCKS

Represented by NORRIS GRAIN CO. at

London, Liverpool, Chicago, New York, Toledo, Kansas City

THE CANADIAN CONSOLIDATED GRAIN

COMPANY LIMITED

Operators of Country Elevators in Manitoba and Saskatchewan and Terminal Elevators at Fort William and Port Arthur

Grain Commission Merchants—Shippers and Handlers of All Grains

Head Office: WINNIPEG CANADA

RELIANCE

GRAIN COMPANY LIMITED

Owners and Operators Country Elevators and Terminals

Exporters and Shippers

SMITH, MURPHY CO. INC.

510 PRODUCE EXCHANGE, NEW YORK

Head Office: 919 Grain Exchange, Winnipeg

Branch Offices: Toronto and Vancouver

From Wagon to Sea-Board —

—Fair and Efficient dealing is the "A.P." Standard of Service.

The ALBERTA PACIFIC GRAIN COMPANY Ltd.

LICENSED AND BONDED WITH THE BOARD OF GRAIN COMMISSIONERS

Insurance for Buyer and Seller

LIFE INSURANCE WILL COST MORE IN NEAR FUTURE

Current Trends Outlined by Life Bureau Manager

That ordinary life insurance in force in Canada at the end of 1934 will shrink $91,000,000 or approximately 1.8 per cent, is the opinion expressed by J. M. Holcombe, Jr., manager, Life Insurance Sales Research Bureau. This statement was made at the annual meeting of the bureau at Chicago last week. The shrinkage in Canada last year was placed at 3.1 per cent. New ordinary business paid for in Canada in 1934 is estimated at $500,000,000 or approximately the same as in 1933.

Similar figures for the United States indicate that ordinary business sold will show an increase of 8.5 per cent over the 1933 total while the shrinkage in business in force will be approximately $817,000,000 or 1.1 per cent.

An important difference between the corporate set up in the life insurance business in Canada and the United States, was noted by Mr. Holcombe in that for Canada during 1934 there were no changes in the number of legal reserve life insurance companies whereas in the United States, 18 companies went through amalgamation receiverships and liquidation and seven new concerns were organized.

Insurance to Cost More

"We find opinion well nigh unanimous," said Mr. Holcombe, "in the belief that life insurance will cost the purchaser more for the next five years at least. This is the general feeling irrespective of differences of opinion on such matter as surrender charges, dividends, participating policyholders and the like.

"There is need for more emphasis on the protection side of life insurance, for continuing care in underwriting, for emphasizing the stability of companies rather than net cost; for curtailing sales of various forms of annuities, both because of the difficulty of investing the large sums resulting therefrom and the desirability of having our sales force go back to selling life insurance.

Endowment Sales Higher

"This move away from annuities has gained some ground," according to Mr. Holcombe, "by the stressing of retirement income policies. Thus, although sales of annuities as reported to the bureau jumped from a total of 4 per cent of new premiums in 1930 to 11 per cent in 1933 and 14 per cent in the first six months of 1934, new business sold on the endowment plan increased also from 11.5 per cent in 1933 to 14.12 per cent in the first six months of this year.

"The number of life insurance agents in the business on this continent show a decrease," according to Mr. Holcombe. "The bureau estimates the number of agents as at August 1, 1934, in Canada and the United States as 196,000 or a decrease of 4.4 per cent. The reduction in brokerage contact during the year was 7.8 per cent.

"The agency department of the life company is no longer judged by the mere sales of business. Recently the agency success of a company has been judged by something much broader than new business results—perhaps by the record of insurance in force; perhaps by what the agency activities contribute to the strength of the company."

Capital Mutual Denied Use of Canadian Mails

Two Additional Companies Have Agreed to Suspend Canadian Operations — List Shows Changes from Last Year

Capital Mutual Benefit Association of Denver, Colorado, has been added to the group of companies denied the use of the Canadian mails in soliciting insurance, according to the recently issued annual report of the G. D. Finlayson, Dominion superintendent of insurance. Complaints have also been received regarding the operations of two other companies, the Union Mutual Casualty Co., Des Moines, Iowa, and the Sunset Mutual Life Insurance Co., Los Angeles, Cal., and these concerns have admitted having Canadian policies in force. Owing to lack of complete evidence of solicitation, the order prohibiting the use of the Canadian mails to these latter companies has not yet been issued.

Complete list of organizations to which the use of the Canadian mails are prohibited, is now as follows:

Denied Mail Use

American Travelers Association of Indianapolis.

Burbank Mutual Life and Benefit Association, Los Angeles, Cal.

Postal Life and Casualty Co., of Kansas City, Mo.

Prudence Mutual Benefit Assoc., Jersey City, N.J.

Sterling Casualty Insurance Co., Chicago.

Travelers Health Assoc., Omaha, Neb.

Union Mutual Life Co., of Des Moines, Iowa.

Capital Mutual Benefit Assoc. of Denver, Colo.

In addition to the above, several additional companies, during the year, have agreed to refrain from issuing further policies to Canadians and have advised all Canadian policyholders to this effect. Complete list of such companies is:

Will Stop Issuing

Commercial Travelers Boston Benefit Assoc., Boston, Mass.

Commercial Travelers Eastern Accident Assoc. of Boston.

Connecticut Commercial Travelers Mutual Accident Assoc., New Haven, Conn.

Illinois Commercial Men's Association, Chicago, Ill.

Illinois Travelling Men's Health Assoc., Chicago, Ill.

Iowa Travelling Men's Assoc., Des Moines, Iowa.

Ministers' Casualty Union, of Minneapolis, Minn.

National Security Association, Beverly Hills, Cal.

National Aid Life, Springfield, Ill.

American Aid Association, South Bend, Ind.

Provident Aid Society, South Bend, Ind.

Family Mutual Benefit Association, Phoenix, Ariz.

One Gets License

One of the companies appearing in this list last year, the Commercial Travelers Mutual Accident Assoc., of Utica, N.Y., has obtained a license in Canada as a fraternal benefit society, and another, the Ministers' Casualty Union, has applied for a license in Canada, which application is now under consideration.

New Basis Outlined for Adjustment Expenses

Changes in treatment of adjustment expenses by fire and casualty companies, in making returns to the Federal department of insurance for 1934, are outlined in the recently issued report of the superintendent. For 1934, the following shall be treated as adjustment expenses:

1. Actual adjustment fees paid to outside adjusters.
2. Actual out-of-pocket expenses incurred by the company's own adjusters in adjusting claims.
3. Legal fees incurred in the adjustment of claims.

Exceptions to the above ruling are made in the case of any investigation expenses which are incurred under a condition of third party liability contracts, which shall be treated as claims. Further, it is set forth, that in no event shall any allowance be made as adjustment expenses or claims for salaries or other overhead expenses of head office or branch office loss or claims departments.

Insurance Inklings

H. A. H. BAKER, C.L.U., Great-West Life, has been appointed manager of Toronto No. 1 branch, to succeed D. O. Hubbell, who has resigned.

CLAUDE F. DUNFEE, C.L.U., Great-West Life, has been appointed manager at Winnipeg to succeed Mr. Baker.

A. F. NATION, Great-West Life, has been appointed manager at Vancouver to succeed Mr. Dunfee. Mr. Nation was formerly manager at Ottawa.

J. A. MACFARLANE, general manager of the Monarch Life, was recently elected president of the Actuaries Club of Winnipeg.

Fire Companies Show Good Profit On 1933 Business

For the first time since 1930, fire insurance companies in Canada recorded an underwriting profit in 1933, it is revealed by the recently issued report of the Dominion superintendent of insurance. Underwriting profit of all companies for the year was 5.43 per cent of premiums written, as compared with a loss of 5.73 per cent in 1932 and a loss of 2.45 per cent in 1931. Percentage of profit is higher than in either 1929 or 1930 and above the ten years average of 1919-28.

Foreign companies in Canada showed the best results with a profit ratio of 9.30 per cent in 1933 as compared with a loss of 7.55 per cent in the previous year. British companies came next with a profit of 4.34 per cent as against a loss of 3.55, while purely Canadian companies profited to the extent of 0.72 per cent of premiums written as compared with a loss of 7.12 per cent in 1932.

For the 60 years from 1869 to 1928, the profit ratio of all companies operating in Canada was 4.85 per cent, the 1933 experience, therefore, being better than this long term average. During this 60-year period, Canadian companies earned 0.16 per cent profit on premiums, British companies, 6.0 per cent and foreign companies 5.57 per cent.

21 UNDERWRITERS OF LONDON LIFE ON HONOR ROLL

Million Dollars of Business in Force is Basis Used

An unusual compilation made by the London Life Insurance Co. recently shows 21 London Life producers to have $1,000,000 more of ordinary insurance in force as at September 30 of this year.

F. E. Herron, of Northern Ontario district, leads the list with $1,860,000 in force.

Particular interest attaches to this analysis in view of the special emphasis being made at the present time by life insurance companies on "quality" rather than quantity being sold. As London Life points out, in making the analysis, "only a combination of intelligent underwriting and good service can have achieved these results."

Four From Northern Ontario

The oldest man in the group in years of service is A. H. Tulloch of Northern Ontario who has built and served his business throughout a long period of years. The youngest member is A. P. MacLean who has achieved this total in less than seven years. The list as compiled by the company is as follows::

Agent	District	Ordinary Ins. in Force to Sept. 30, 1934
F. E. Herron,	Northern Ontario	$1,860,000
F. C. Gerred,	Toronto	1,750,000
W. B. Graham,	Ottawa	1,670,000
G. E. McKee,	Toronto	1,650,000
B. F. Butt,	Toronto	1,590,000
H. C. Hamill,	S. Saskatchewan	1,490,000
W. J. Norfolk,	London	1,430,000
J. O. Laird,	London	1,430,000
H. V. Copley,	Winnipeg	1,300,000
A. P. MacLean,	S. Saskatchewan	1,280,000
S. B. Fleming,	British Columbia	1,230,000
W. J. Hough,	Northern Ontario	1,230,000
A. H. Tulloch,	Northern Ontario	1,200,000
J. C. Horton,	Central Ontario	1,160,000
R. Schofield,	Winnipeg	1,130,000
H. A. Pearson,	British Columbia	1,110,000
L. H. Barnes,	Southern Alberta	1,100,000
A. H. & C. M. DeMara,	B. C.	1,000,000
T. J. Robinson,	Stratford	1,000,000
P. C. Gundersen,	Hamilton	1,000,000
R. J. Winter,	Northern Ontario	1,000,000

Says Rate Changes Needed in Casualty Insurance Lines

Increased accident hazard in all departments of casualty insurance and the attitude of the general public in prosecuting to the limit any claim for loss were given as two outstanding reasons why casualty companies could not expect a return to the low loss ratios of past years by W. R. Houghton, Canadian manager of the London and Lancashire, in his presidential address before the Insurance Institute of Toronto. Adoption of ways and means toward placing the business on a basis which will allow of a reasonable profit must be soon considered by the companies, he said.

CONSUMER STUDY FINDS BIG FIELD FOR LIFE AGENT

Farmers and Small-town Citizens Only One-third Canvassed

More than half the men who now own ordinary insurance believe they have not enough, according to one of the first intensive surveys of the life insurance consumer market ever made on this continent.

The survey was made by the Curtis Publishing Co., and the results submitted last week at the annual meeting of the Life Insurance Sales Bureau. Some of the largest and most prominent life companies on the continent co-operated in making the survey which made a cross-section of the market varying in size from a large city to the farm.

Prospects Use Own Initiative

A surprising feature of the survey was the large number of men who said they actually initiated the purchase of a policy with an agent.

More than one-third of farmers and men in small towns did not have any calls from life insurance agents.

Agents on the other hand said their hardest problem was "finding good prospects."

In the case of 3,223 men interviewed it was found that 89.7 per cent reported that they own life insurance now; and of 434 business women seen, 79.7 per cent reported they own life insurance. Of the men who do not own insurance now 5.2 per cent said that they formerly owned it, but had to drop all of what they formerly owned; 3.2 per cent never owned insurance; .3 per cent were found to be poor risks, and 1.6 per cent owned fraternal and beneficial only. In the case of business women 5.1 per cent reported that they formerly owned insurance; 12.9 per cent said they never owned insurance; .7 per cent were found to be poor risks; 1.6 per cent were found to have fraternal and beneficial only.

Attitude of Wives

Almost all of the wives of the men interviewed are reported as favorable to the insurance owned now. Only a little over half are favorable to the purchase of additional insurance. Only one-third approve the purchase of more insurance. "This situation," says the survey, "seems to indicate that wives offer a difficulty of resistance in the selling of life insurance."

Insurance Estates

While 17.5 per cent had an insurance estate administered by a trust company only 2.7 per cent expect to have future insurance purchased administered by a trust company.

Of the men owning ordinary life insurance, 19 per cent reported that the purpose for the purchase was to return to them an old age income, whereas 46.9 per cent of those who will buy future insurance desire it for the purpose of old age income. From this it appears that of the men owning ordinary insurance a large proportion manifest an interest in the investment features of insurance and desire a type that will return benefit to them in their own lifetime.

Agents Make Suggestions

In answering questionnaires the largest proportion of agents responding made two suggestions for things which the insurance companies can do to help them sell more insurance and to make the profession of selling insurance more attractive. One is to advertise. The other is to discontinue part-time agents and to make more careful selection of agents and to train them better.

A summary of the survey follows:

Life Insurance Opportunities

1. Additional insurance in amount 2½ times their present holdings is desired by half the men.
   a. 92% of this additional amount is desired by men rating excellent and good.
2. Some worth-while markets seem to be neglected.
   a. Young men.
   b. Farmers and men in small towns.
   c. Wives and women for insurance on themselves, and influence on husbands and other men in the family.

* * *

Problems to be Faced

1. The trend in future buying is toward annuity or income insurance for the purpose of old age income.
2. The consumer needs education on the investment features of life insurance, and consideration of insurance as a replacement of monthly income instead of lump sum payment.
3. Consumers interviewed appear to have a preference for the well-trained agent, as indicated by their comments and opinions, and manifested a greater willingness to see and do business with him.
   a. Of the agents' replies, more than 60% believe part-time agents should be discontinued, and greater care exercised in the selection and training of agents.
4. The belief of almost half the men that they initiated the purchase of a policy is confirmed by the agents themselves.
   a. Notwithstanding this indication of consumer acceptance for life insurance, 35.9% of the agents report their major selling difficulty is "finding good prospects."
5. The consumer appears to need education on the subject of lapsing policies, and the benefits from retaining his insurance should be made known to him.
6. A fundamental achievement customarily desired by business is that the reputation of the company stand supreme over the personality of its salesmen, yet in the insurance industry the personality of the agent appears to transcend the reputation of the company represented.

Lloyd's Maintains Deposit With State of Illinois

London Lloyd's maintains a deposit of $250,000 with the State of Illinois in order to comply with insurance regulations of that state, according to a letter received by G. D. Finlayson, Dominion superintendent of insurance, from the state insurance department and reprinted in his recently published annual report. This, Mr. Finlayson considers, may be of interest in view of the fact that, at a recent session of parliament, it was proposed that a license be granted to Lloyd's without the necessity of making the usual deposit asked by the Federal Government as the underwriters "were prevented from making deposits, being required to place all their premiums in a trust fund."

Referring to the proposed amendment to the Canadian and British Insurance Companies Act, 1932, agreed on by the Senate, which would have allowed the licensing of Lloyd's without the usual deposit, Mr. Finlayson states:

"Fortunately the provision was deleted from the bill in the House of Commons, and its deletion was later concurred in by the Senate. The amendment by the House of Commons went even further and removed from the act the authority of the minister to grant a license to Lloyd's on any conditions."

LITTLE DIFFICULTY PROVIDENT PLANS EXPECTED NOV. 20

Shareholders of Group Members Likely to Approve Consolidation

Little difficulty is expected in obtaining authority from shareholders of the British-Colonial Fire Insurance Co. and the Trans-Canada Insurance Co. to reinsure the business of these two companies with the Provident Assurance Co. when an offer from the latter is considered at a special meeting to be held in Montreal on Nov. 20. Outstanding stock of the two former companies is closely held, The Financial Post is informed.

If the reinsurance agreement is authorized, as expected, British-Colonial and Trans-Canada will cease writing business, and the remaining assets of the companies will be distributed among shareholders.

According to a letter being distributed in Ontario, the consolidation will form a company with assets of $2,600,000 and liabilities of $1,900,000.

Changes in the board of directors of the Provident are expected following the consolidation, but it is not yet known who will compose the new board. Agents of the British-Colonial and Trans-Canada will continue to write for the Provident. An agency force of 1,000 will thus be acquired in Ontario.

Business Much Better

Business of all three companies has shown a considerable increase in Ontario during the current year, The Financial Post is informed and loss ratio has greatly improved. No figures are available for total Canadian business.

In Ontario, during the first 10 months of the current year, premium income of the Provident alone amounted to $193,580 as compared with $146,434 during the same period a year ago, a gain of over 32 per cent. Loss ratio for the period on a written basis is 25.37 as compared with 49.0 in 1933, according to the Ontario manager.

Good increases in business written have also been recorded by the British-Colonial and Trans-Canada. the increase in October for the former being 81.76 per cent.

PROVINCIAL GLASS ASSETS REQUIRED CLEAR BANK LOAN

Expect Little or Nothing to go to Claims of Trade Creditors

From Our Own Correspondent

MONTREAL.—Little hope is held out for the ordinary creditors in the disposition of the assets of the bankrupt Provincial Glass Co. As far as the common stockholders are concerned, the situation is devoid of any prospects of a return on the capital invested.

The Canadian Bank of Commerce ranks as a secured creditor for loans aggregating about $72,000. These advances were secured by practically all the assets of the company, together with the personal guarantee of some of the directors. It is understood that the bank is applying for a court order to take over these assets, which are not expected to realize the full amount owing.

In addition to the bank loans, trade liabilities aggregate another $40,000. As for these claims, it is very doubtful if anything will be left over for them.

Had Checkered Career

Provincial Glass had a rather checkered career. Its corporate history goes back to 1926 when the Perfection Glass Co. was formed to take over the Ceramo-Vitrail Inc., manufacturers of plate and fancy glass. In June 1927, the company purchased the Toronto Plate Glass Co. for $200,000 cash.

By the end of 1930 a reorganization was found necessary and the assets and liabilities of the company were transferred to the Provincial Glass Co. The transfer was accomplished by a share exchange on the basis of one share in the present company for each 10 fully paid shares of the old company.

About the middle of this year the company was put into liquidation.

G. W. Geddes to Address Toronto Insurance Group

G. W. Geddes, general manager and actuary, Northern Life Assurance Co., London, will address the Insurance Institute of Toronto at its regular monthly meeting on November 14, his subject being "An Investment Plan for Life Insurance Companies." Many other prominent speakers have been secured for later monthly meetings, outstanding features being:

Dec. 19, James R. Wright, Liverpool & London & Globe, Montreal, "Some Chemical Hazards in Relation to Fire Insurance."

Feb. 20, Thomas Bradshaw, North American Life, "Municipal Debt and Its Relation to Insurance Companies."

March 20, Arthur Stead, manager, The Dominion Board of Fire Underwriters, "Ramifications of the Dominion Board of Underwriters."

Insurance Problems

Insurance questions of general interest submitted by subscribers of **The Financial Post** will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Agricultural of Waterdown

Is the Agricultural Insurance Co. of Waterdown, N. Y. fully dependable?

The Agricultural Insurance Co. of Waterdown, N.Y., is regularly licensed with the Federal Department of Insurance to transact business in Canada. As such, it maintains a deposit with the Receiver-General for the protection of Canadian policyholders.

Loss experience of the company during the past five years has been fairly satisfactory, although a slight deficit on operations was shown last year as far as Canada is concerned.

We have no information concerning the company's standing in the United States.

Licenses Issued

Inter-Insurers Exchange and Underwriters have been granted certificates of registry authorizing them to transact, in Canada, fire and tornado insurance and sprinkler leakage, explosion and falling aircraft insurance limited to properties covered by them for fire insurance.

Dominion Loans Raise B. C. Debt To $175,000,000

From Our Own Correspondent

VANCOUVER.—Although the exact figures on British Columbia's indebtedness will not be known for some time, the provincial government is roughly $9,000,000 further in debt than it was at the election a year ago, when Hon. T. D. Pattullo led his Liberal party to a smashing triumph over Tolmie's Tories and the C.C.F.

In the current fiscal year the government has borrowed or is borrowing a total of $9,000,000 from the federal government and while it is still hopeful that a national refunding programme will relieve the burden eventually, the fact remains that British Columbia's total indebtedness now stands at approximately $175,000,000.

The provincial government is running a current deficit this year of $1,000,000. It has not made the usual allowance for sinking funds for two years, and while Hon. John Hart, Minister of Finance, hopes to balance his current accounts next year he will be obliged to borrow at least $3,000,000 for unemployment relief.

Sinking funds are going short about $2,500,000, so that even if current accounts are balanced next year the province will still be going behind about $6,000,000. A higher income tax is regarded as inevitable, to fall most heavily on incomes of about $3,000 to $10,000.

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Assurances in Force (Dec. 31, 1933) $518,521,336.00
Assets $138,912,508.00
Surplus Funds and Contingency Reserves $11,917,520.04
A Purely Mutual Company
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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

REPORT MERGER SIDNEY ROOFING NAT. PAPER BOX

Bonds of Latter Company May be Called in 1935

Arrangements for the taking over of National Paper Box Limited by Sidney Roofing & Paper Company Limited have been practically concluded, it is reliably reported. The two companies have had a business connection of many years standing. National Paper Box has purchased the major portion of its requirements from the Sidney Roofing.

National Paper Box has been in business in Vancouver since 1913 with the main plant in that city and another in Victoria operated by a subsidiary, Victoria Paper Box Company Limited. It is one of the largest manufacturers of paper boxes in British Columbia. In April 1931, the company made an offering of $100,000 in 6½ per cent first mortgage five year sinking fund bonds, callable at 102, in order to raise funds for expansion. It is believed that the bonds of this issue still outstanding will be called in 1935.

Sidney Roofing & Paper Company had its main plant at Victoria with a branch on Granville Island, at Vancouver.

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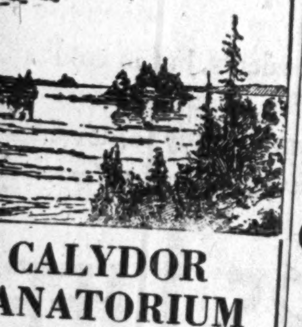

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WESTM'ST'R PAPER EARNINGS INCREASE AS SALES GO UP

Adverse Decline in Prices and Rise in Costs Overcome

Net profits of Westminster Paper Co. for the year ended July 31, 1934, were $25,687 as compared with $21,579 in the preceding period. This improvement was in spite of the fact that selling prices declined very materially during the company's year while raw materials increased generally in price. The substantial increase in sales is responsible for this improvement. Though conditions are still rather unsettled in the business, J. J. Herb, president, expresses the view that the present fiscal period will in its turn compare favorably with last year. Dividend at the rate of 4 per cent through the current year has been declared, 2 per cent to be paid on November 1 and 2 per cent on May 1, 1935.

Income and Surplus Account Years Ending July 31

	1934 $	1933 $
Net sales*	550,537	463,180
Less: Cost of sales	393,125	322,764
Gross earn. from oper.	157,412	140,416
Add: Misc. income	6,175	6,175
Total gross earnings	163,587	146,591
Less: Sell. & admin. exp.	72,100	68,652
Net earnings	91,487	77,939
Less: Depreciation	35,311	29,900
Debenture interest	17,989	18,460
Prov. for income tax	12,500	8,000
Net profit	25,687	21,579
Less appropriations: Dividends	19,116	19,116
Surplus	6,571	2,463
Add: Previous surplus	23,517	22,904
Less: Inc. tax (prior year)	......	1,850
Balance carried forward	30,088	23,517

*Less discounts and allowances.

Working Capital

	1934 $	1933 $
Current assets	190,467	169,003
Current liabilities	74,619	59,885
Working capital	115,848	109,118
Ratio	2.55—1	2.82—1

The largest item in current assets is $92,935 for inventories and next largest is bills and accounts receivable at $69,567. Cash is $9,649. The principal items in current liabilities are $45,064 for trade accounts payable and $14,363 for reserve for income taxes. There is a contingent liability for trade paper discounted at $53,930.

Buildings, machinery and equipment at appraised value, less depreciation, are shown at $509,783. There is also an item of $70,000 for leasehold at appraised values less sales to date. The outstanding 6½ per cent first mortgage debentures due April 1, 1950, are shown at $299,000. There is a sinking fund against this of $29,545 and $10,000 was to be added on October 27.

Among the investments of the company are $100,000 6½ per cent first mortgage bonds of Pacific Coast Paper Mills and 20,045 shares of common stock in that company.

There is a capital surplus of $101,497 which arose through appraisal of capital assets, less charges in connection with reorganization of the company.

The following directors were elected: J. J. Herb, H. M. Lord, F. J. Hume, S. A. Lake, Fred Smith, Francis Wright, J. G. Robson, Knox Walkem and John Peck.

CONSUMERS GLASS PAYING DIVIDEND OF $2.50 A SHARE

Frank P. Jones Company Initiates Payment on Junior Stock

From Our Own Correspondent

MONTREAL. — Consumers Glass Co. has declared an initial dividend of $2.50 a share on its outstanding common stock, covering the year ended August 31, 1934.

Originally organized as the Premier Glass Co., Consumers Glass bought the property and operated the plant in 1918 under Dominion charter, the Canada Cement Co. owning controlling interest. When the latter was refinanced in 1928, Consumers Glass was sold to Frank P. Jones and associates.

Sold Bonds to Public

Toward the end of 1928 Consumers Glass carried out public financing through Wood, Gundy and Co. when $1,300,000 of 5 per cent first mortgage bonds were offered to the public. The capital stock consisting of $500,000 of 7 per cent cumulative preferred and 24,257 shares of no par value common stock were taken up privately.

No financial statement has ever been issued by the company, but it is understood that operations for the past year were very satisfactory and that interest on the company's bonds, of which $1,212,500 is at present outstanding, was earned by a substantial margin.

Montreal, Toronto and Curb Markets

WEEK ENDING NOVEMBER 5

Range 1934 High	Range 1934 Low	Divd. Rate (in $) Nov. 3	Y'ld (in %) Nov. 3		Sales	Close Oct. 29 (or last)	Week Ending —Nov. 5— High	Low	Close
				A					
2.50	.75	.	...	Abitibi	1020	.75	1.00	.75	.85
10½	3	.	...	Do. pref. 6%	20	4	3½	3	3½
7¾	2	.	...	Do. cert. dep.	200	3	3	3	3
3	3		...	Acme Glove	....	3	..	..	..
25½	25	3.25	...	Do. pref.	....	25	..	..	..
8½	5½	20c	...	Agnew Surp.	60	7½	7	6½	7
90	72	7	7.8	Do. pref.	5	90	90	90	90
7	3	.	...	Alta. Pac. Gr.	....	3	..	..	..
23	14½	.	...	Do. pref.	....	18	..	..	..
2½	1½	.	...	Amal. Electric	....	1¾	..	..	..
15	10	.	...	Do. pref.	....	15	..	..	..
15¾	15½	.	...	Amer. Cyn. B.	....	15¾	..	..	..
x3½	3½	.	...	Anglo. N. Hold.	....	..	..	..	..
13½	5	.	...	Asbestos, v. t.	30	6	6	5¾	6
13	9½	25c	...	Assoc. Brew.	55	11¾	11¾	11¾	11¾
100½	85	7	7	Do. pref.	....	100½	..	..	..
4½	3	.	...	Assoc. Can.	....	3	..	..	..
				B					
145	125	8	6.3	Bk. Can. Nat.	36	125	126	125	126
203	167	8	4	Bk. Montreal	222	201	201	198	200
278	247	12	4.5	Bk. N. Scotia	52	265	266	265	266
214	161½	10	4.7	Bk. Toronto	36	214	214	213	214
16¾	15	50c	...	Barcelona	....	15	..	..	..
8½	3	.	...	Bathurst Pr.	225	4	4½	4	4½
3.50	.75	.	...	Do. (B)	....	1.10	..	..	..
1½	1	.	...	Bawlf Grain	....	1	..	..	..
18½	7	.	...	Do. pref.	....	18	..	..	..
4	2½	.	...	Beath & Sons	....	2¾	..	..	..
10	6½			Beatty Bros. A	....	8	..	..	..
88½	69	6	6.9	Do. pref.	5	85	87	87	87
9¾	3½	.	...	Beauharnois	1862	6½	6½	6½	6¾
85	65	4	4.9	Belding Cort.	....	82	..	..	..
105	97	7	7	Do. pref.	....	100½	..	..	..
127	110	6	4.7	Bell Telephone	751	121½	127	121	124½
12	7½	50c	..	Biltmore Hats	75	9½	9	9	9
93	85	7	7.5	Do. pref.	....	93	..	..	..
6	2	.	...	Bissell, T. E.	....	4	..	..	..
29	25	.	...	Do. pref.	....	25	..	..	..
6	4	.	...	Blue Ribbon	100	4½	4½	4½	4½
32	25	2	6.9	Do. pref.	31	28½	29½	28	29½
26	22	2	7.7	Brant. Cord. pf.	36	24¾	26	25½	26
14¾	7½	.	..	Brazilian Tr.	5956	11	11½	11	11½
2.95	.60	.	...	Brew. & Distil.	1375	.60	.60	.60	.60
11	4	.	...	Brewing Corp.	9225	4¾	5	4	4½

Active Corporation Bonds

(Furnished by Royal Securities Corp., Toronto)
November 6, 1934

Public Utility Issues:	Int. Rate	Due	Bid Nov. 6	Asked Nov. 6	Bid Oct. 30
Beauharnois L. H. & Power	5½%	1973	100	101	100
Beauharnois Power Corp.	6%	1959	71	...	68½
Beauharnois Power Corp.	5%	1973	56½	58½	55½
Bell Telephone	5%	1955	108½	109½	108
Bell Telephone	5%	1957	109	110	108½
B. C. Power	5%	1960	109	110	98½
B. C. Power	5½%	1960	104	105	103
B. C. Telephone	5%	1960	102½	104	101½
Calgary Power	5%	1960	97	99	96
Calgary Power	5%	1964	95	97	94
Canada Northern Power	5%	1953	96	98	95
Cedars Rapids Mfg. & Power	5%	1953	109½	111	109½
Dominion Gas & Electric	6½%	1945	61½	63½	60½
Duke-Price Power	6%	1966	92	94	90
Gatineau Power	5%	1956	93½	95½	93
Gatineau Power	6%A	1941	90½	92½	90½
Gatineau Power	6%B	1941	89	91	88½
International Hydro-Electric	6%	1944	47	49	44½
Jamaica Public Service	5%	1950	99½	101	99
Maclaren-Quebec Power	5½%	1961	100	101	99½
Manitoba Power	5½%	1951	54½	56½	54
Montreal Island Power	5½%	1957	100½	102½	101½
Montreal L. H. & Power	5%	1951	106½	108	106½
Montreal L. H. & Power	5%	1970	107	108	107
Montreal Public Service	5%	1942	104	106	104
Montreal Tramways	5%	1955	75½	77½	75½
Montreal Tramways	4½%	1955	68½	70½	68½
Montreal Tramways	5%	1941	98	100	98
National Light & Power	6%	1949	81½	...	81½
N. B. Power	5%	1937	69	71	69
Northwestern Utilities	7%	1938	101	103	101
N. S. Light & Power	5%	1958	97½	100	96½
Ottawa Light, Heat & Power	5%	1957	103½	105	103½
Ottawa Valley Power	5½%	1970	105	106	104½
Power Corp.	4½%	1959	82½	84½	82½
Provincial Light & Power	5%	1946	104	...	104
Quebec Power	5%	1968	101	103	100½
Rio de Janeiro T. L. & Power	5%	1935	99½	101	99½
Shawinigan Water & Power	6%	1937	102	103½	101½
Shawinigan Water & Power	4½%	1970	93½	95	93½
Shawinigan Water & Power	5%	1970	101	103	100½
Southern Canada Power	5%	1955	102½	104	102
United Securities	5½%	1952	67½	70	69
West Kootenay Power	5%	1956	105	106½	105
Western Power Co.	5%	1949	104	...	104
Winnipeg Electric	5%	1935	95	...	95
Winnipeg Electric	6%	1954	52½	54½	54
Industrial and Realty Issues:					
Abitibi Power & Paper	5%	1953	28	30	26½
Abitibi Pwr. & Paper C.O.D.'s	5%	1953	24½	26½	23½
Acadia Sugar	6%	1946	103	104	102½
Alberta Pacific Grain	6%	1946	82	...	81
Algoma Steel	5%	1962	14½	16½	14½
American Sales Book	6%	1939	102	...	102
Asbestos Corp.	5%	1942	99	...	99
Atlantic Sugar	5%	1941	95	...	95
Balfour Building	6%	1934	38	...	38
Belding-Corticelli	5%	1936	103½	...	103½
Bloor-St. George Realty	7%	1946	46	...	46
Booth Buildings	6½%	1937	99	...	99
Brandram-Henderson	6%	1936	92½	...	92½
British American Oil	5%	1945	104	105½	104½
British Columbia Pulp & Paper	6%	1950	65	...	66½
Burns & Co.	5½%	1948	32	35	31½
Canada Biscuit	6½%	1946	17	19	17
Canada Bread	6%	1941	100	...	98½
Canada Cement	5%	1947	97½	99	96½
Canada Paper	6%	1945	91	...	90
Canada Steamship	5%	1943	93	...	93
Canada Steamship	6%	1941	25½	27½	24
Canadian Canners	6%	1950	105	...	104½
Canadian Consolidated Felt	6%	1940	96	...	96
Canadian Copper Refiners	6%	1945	105	106	105
Canadian Cottons	5%	1940	102	...	101½
Canadian Goodrich	7%	1943	48	...	47
Canadian International Paper	6%	1949	62	65	64
C. P. R.	6%	1942	106½	107½	106½
C. P. R.	4½%	1944	93½	94½	94
C. P. R.	5%	1954	98	99½	98
C. P. R.	4%	1949	92½	93½	91½
Canadian Rail & H. Terminals	6½%	1951	22	24	23½
Canadian Vickers	6%	1947	60	62	60
Consolidated Investment	4½%	1959	75	...	74½
Consolidated Paper	5½%	1961	13½	15½	14
Cosmos Imperial Mills	6½%	1944	102½	...	102½
Debenture & Security	4%	1936	75½	...	75½
Dominion Canners	5%	1940	107	...	107
Dominion Square Corp.	5%	1948	49	52	50
Dominion Tar	6%	1949	90	92	88
Dominion Textile	6%	1949	107½	...	107½
Dominion Woollens (with stock)	6%	1948	28	31	30
Donnacona Paper	5½%	1948	31	33	33
Eastern Dairies	6%	1949	69	71	68½
Eaton T. Realty	5%	1949	100½	101½	100
Famous Players	6%	1948	97½	100	95
Famous Players	6½%	1948	83½	...	80½
Federal Grain	6%	1949	87	90	85
Firestone Tire	7%	1937	100	...	100
Fraser Companies	6%	1950	37½	40	37½
Galt Brass	7½%	1941	38	...	37
General Brock Hotel	6%	1948	32½	...	31½
General Steel Wares	6%	1952	83½	86	82
Godfrey Realty	6%	1942	42	...	42
Great Lakes Paper	6%	1950	28	30	26½
Gypsum, Lime & Alabastine	5½%	1948	76	78½	77
Hamilton Cottons	5½%	1948	93	...	92½
Hamilton By-Products Coke	7%	1943	100	103	99
Hinde & Dauch	5½%	1948	93	...	92
International P. & P. Nfld.	5%	1968	94½	97	93
Inter City Baking	5½%	1948	87½	...	86½
Lake St. John P. & P.	6½%	1942	16	20	16
London Can. Invest.	4½%	1948	74½	77	75
London Realty	6%	1950	81	84	81½
Maple Leaf Milling	5½%	1949	42½	45	40
Massey-Harris	5%	1947	70	72	69
McColl Frontenac	6%	1949	103½	105	103½
McKinnon Industries	6½%	1945	103½	...	103½
Mercury Mills	5½%	1953	...	...	...
Metropolitan Building	7%	1944	100	...	100
Minnesota & Ontario Paper	6%	1945	13½	15½	13½
Montreal Coke	5½%	1947	102	104	102
Montreal Cottons	5%	1943	97	...	97
Montreal Dry Docks	6%	1948	47½	50½	45
Northern Electric	5%	1939	104	...	104
Northern Ontario Building	6½%	1939	97½	100	97½
Ontario Building	6½%	1943	37	...	37
Penmans	5½%	1951	107½	...	107½
Price Bros. (Co'D.)	6%	1943	82	86	82
Provincial Paper	5½%	1947	99	...	98½
Queen's Hotel	6%	1947	72	...	72
Reliance Grain	6%	1948	90	...	89
Restigouche Co.	5½%	1948	75	78	76½
Richmond Bay Building	6½%	1947	89	...	88½
Riordon Pulp & Paper	6%	1942	103½	...	103
Ritchie Cut Stone	6½%	1948	74	...	74
Rolland Paper	5½%	1948	98½	100½	98½
Ruddy & Co., E. L.	6½%	1948	72	75	71
St. Lawrence Flour	6%	1941	102	...	102
Shawinigan Cotton	6%	1949	91½	...	91
Simpsons Ltd.	6%	1949	100	101½	100
Smith, Howard	5½%	1953	97	99	96
Steel Co. of Canada	6%	1940	108½	...	108½
Stop & Shop	6%	1947	89	91½	88½
Toronto Carpet	6%	1944	99½	...	99½
United Amusement	6%	1942	92½	...	89½
United Corpns.	5%	1953	76½	...	75½
United Gas & Fuel	5½%	1948	89	91	89
United Grain Growers	5%	1948	87½	...	87½
Wabasso Cotton	6%	1947	99½	...	99½
Wabasso Cotton	7%	1942	100	...	100
Woods Mfg.	6%	1943	88½	...	86

Dividends Declared

	Present Annual rate	Amt. this paym't	Date payable	Date of record
Acme Gas & Oil	...	2c	Nov. 15	Oct. 31
All Can. Trust Shares A	...	1643c	Nov. 1	Oct. 15
Anglo-Huronian	...	•40c	Dec. 1	Nov. 22
Borden Co. c.	$1.60	40c	Dec. 1	Nov. 15
B. C. Telephone, 2nd pfd.	$6	$1.50	Nov. 1	Oct. 16
Bq. Can. Nationale	$8	$2	Dec. 1	Nov. 15
Buffalo Ankerite, extra	...	3c	Nov. 15	Nov. 1
Bank of Montreal	$8	$2	Dec. 1	Oct. 31
Bank of Toronto	$10	$2.50	Dec. 1	Nov. 15
Bralorne Mines	60c	15c	Oct. 15	Sept. 29
Do. extra	...	20c	Dec. 17	Nov. 30
Canadian Oil Cos., c.	50c	12½c	Nov. 15	Nov. 1
Canadian Oil, pfd.	$8	$2	Jan. 1	Dec. 20
[illegible] Oil, pref.	60c	15c	Nov. 15	Oct. 31
Canada Iron, pref.	$3	$1.50	Nov. 15	Oct. 31
Can. Converters	$2	50c	Nov. 15	Oct. 31
[illegible] A. W., pref.	$2	50c	Nov. 10	Oct. 31
Can. Bank of Commerce	$8	$2	Dec. 1	Oct. 31
Can. Cottons	$4	$1	Jan. 2	Dec. 14
Do. pref.	$6	$1.50	Jan. 2	Dec. 14
Consolidated Bakeries	...	20c	Jan. 2	Dec. 15
Can. Foreign Inv., pref.	$8	$2	Jan. 1	Dec. 15
Can. Hydro-Elec., pref.	$6	$1.50	Dec. 1	Nov. 1
Community Trusts, c.	$2.50	62½c	Oct. 15	Sept. 30
Consumers Glass	...	*$2.50	Nov. 1	Oct. 15
Cosmos Imp. Mills, pfd.	$7	$1.75	Nov. 15	Oct. 31
Do., on arrears	...	$2.62½c	Nov. 15	Oct. 31
Can. Celanese, pref.	$7	$1.75	Dec. 31	Dec. 14
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
[illegible] Gold	...	4c	Dec. 1	Oct. 31
[illegible] Oil	80c	25c+15c	Dec. 1	Nov. 15
International Nickel, c.	...	15c	Dec. 31	Dec. 1
International Petroleum	$1.12	56c+44c	Nov. 30	Nov. 15
Kelvinator of Can. pref.	$7	$1.75	Nov. 15	Nov. 5
[illegible] Mines	...	10c	Nov. 27	Nov. 17
Kirkland Lake Gold	...	•3c	Dec. 1	Nov. 1
[illegible], pref.	$7	$1.75	Nov. 15	Oct. 31
Loblaw Groceterias, A & B	$1	25c	Dec. 1	Nov. 14
McIntyre-Porcupine Mines	$2	50c	Dec. 1	Nov. 1
McColl-Frontenac, c.	80c	20c	Dec. 15	Nov. 15
[illegible] Mines Secs.	...	•2½c	Dec. 1	Nov. 15
[illegible] Biscuit, pfd.	$7	$1.75	Nov. 30	Nov. 14
[illegible] Mines	...	‡$1	Dec. 20	Dec. 5
[illegible] Light & Power, pfd.	$6	$1.50	Dec. 1	Nov. 15
[illegible]	$3	75c	Nov. 15	Nov. 5
[illegible]	...	•3c	Jan. 2	Nov. 30
[illegible] Power	$1	25c	Nov. 15	Oct. 25
Royal Bank	$8	$2	Dec. 1	Oct. 31
[illegible] Oil	..	75c	Nov. 23	Nov. 9
Rolland Paper, pref.	$6	$1.50	Dec. 1	Nov. 15
Southern Canada Power, com.	80c	20c	Nov. 15	Oct. 31
Shawinigan Water & Power	50c	12c	Nov. 15	Oct. 25
[illegible] Gold & Plat.	..	10c	Dec. 31	Dec. 21
[illegible] Mines	8c	2c	Nov. 22	Oct. 28

*Initial, for the year ended Aug. 31, 1934.

Dividends Increased—
Cosmos Imperial Mills, pref. Nov. 15, increased from 87½c to $1.75 quarterly.

Listed Bond Quotations

Week Ending November 5, 1934

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1934 High	Range 1934 Low
Mtl. L. H. & P. debs.	3	1939	3.73	47	47½	47	47½	43
[illegible]	5	1941	5.34	..	98	..	101½	97½
[illegible]	5	1955	7.26	75½	75½	75½	84½	75
[illegible]	4½	1959	4.07	106½	106½	106½	107½	99½
[illegible]	4	1952	2.80	102½	102½	---	102½	99

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)
November 6, 1934

Industrial Stocks:	Bid	Asked
Acadia Sugar com.	2.75	2.95
Acadia Sugar pfd.	4.75	4.95
Allens London pfd. bonus com.	38.00	...
Allens St. Cath. pfd. bon. com.	38.00	...
Allens Toronto pfd. bon. com.	30.00	...
Andian Nat. (Can. Funds)	36.00	38.00
Atlant. Sugar pfd.	91.75	93.00
B. C. Pulp pfd.	12.50	15.00
Burns & Co. "B"	2.00	2.50
Can. Dom. Sugar	46.50	47.90
Can. Mach. com.	1.35	2.00
Can. Packers com.	40.75	41.50
Can. Packers pfd.	106.00	...
Can. Starch com.	12.00	...
Can. Starch pfd.	88.00	...
Canada Tea pfd.	45.00	55.00
Can. Wire & C. pfd. WW	58.75	59.50
Can. Indust. "A"	180.00	...
Can. Indust. "B"	179.00	182.00
Can. Indust. pfd.	140.00	141.50
Can. Westing.	43.50	45.00
Chase, pfd. bonus com.	24.50	25.00
Dom. F. & Steel com.	7.50	8.00
Dom. F. & Steel pfd.	66.00	70.00
Dom. Manuf. pfd.	71.00	...
Dom. Woollens c.	.50	1.00
Dunlop Tire pfd.	67.00	71.00
Federal Grain c.	2.50	...
Federal Grain p.	25.00	26.50
For. Power Sec. p.	5.00	8.00
Freiman pfd.	56.00	61.00
Gen. St. Wares pfd.	27.50	28.00
Goderich Elev.	6.50	7.25
Greening Wire p.	73.00	75.00
Guardian Realty pfd.	11.50	...
Guelph Carpet p.	89.50	90.50
Guelph Carpet c.	12.50	13.00
Harding Carpets Units	31.00	32.00
Hayes Wheels p.	...	8.25
Highland Dairy c.	3.50	4.25
Highland Dairy p.	68.50	71.00
Inter. City Bak. c.	17.00	18.00
Int. Met. Indust. pfd.	30.00	34.50
Inter. Paints p.	14.00	15.50
Loew's London p.	3.75	4.00
Maclaren Pwr. c.	15.75	17.00
Mans. Theat. p.	26.00	28.00
Massey Harris p.	17.25	18.00
Mercury Mills p.	8.00	9.00
Mt. Royal Hotel p.	1.50	2.00
Nat. Grocers c.	4.70	5.00
Nat. Grocers p.	116.00	120.00
New Meth. Laund. pfd.	49.00	...
Niag. W. Weav. p.	36.50	...
Para. Kitchener pfd.	38.50	...
Para. Oshawa p.	47.50	52.00
Perfection Pet. p.	14.50	16.00
Prov. Paper p.	87.00	89.00
Reliance Grain p.	60.00	64.00
Rob. Cons. Cone	7.50	8.50
Rolland Paper c.	9.00	10.00
Rolland Paper pfd. WW	76.00	78.50
Ruddy p.	11.00	...
St. Fuel pfd. bon.	97.00	...
Supertest Pet. "B"	24.00	25.25
Thayers com.	5.50	...
Thayers pfd.	37.50	39.00
United Grain	10.75	...
West. Grain p. bonus	6.50	8.00

Insurance Stocks:	Bid	Asked
British America	32.00	...
Canada Life	435.00	455.00
Canadian Fire	58.00	60.00
Confed. L. 20% pd.	123.00	125.00
Cont. Life 20% pd.	36.00	39.00
Crown Life	103.00%	...
Dominion Fire	98.00	...
Dom. Life 50% pd.	185.00	...
Dom. Can. Gen.	100.00	104.00
Emp. Life 25% pd.	9.00	10.00
Excel. Life 30% pd.	76.00	80.00
Fed. Fire 25% pd.	34.00	36.50
Great West Life	390.00	410.00
Guar. of N. A. fully pd.	220.00	...
Guar. of N. A. 20% pd.	41.00	...
Imperial Life	295.00	...
Manufac. Life	237.50	243.00
Monarch L. 10% pd.	18.50	20.00
Nat. Life 25% pd.	56.50	59.00
Sov. Life 25% pd.	11.00	14.00
Sun Life	335.00	350.00
West. Assur. c.	30.00	32.00
West. Assur. *pfd.	34.50	...
West. Empire Life	10.50	15.00
West. Life 20% pd.	9.00	11.50
Bank Trust & Loan Shares:		
Bank of Canada	54.75	55.50
London & West. Tr.	27.00	...
Premier Trust	86.00	90.00
Sec. Loan & Sav.	99.00	102.00
Traders Fin. "B" pfd.	46.00	50.50
Trusts & Guar.	33.50	36.00
Victoria Trust	120.00	125.00
Waterloo Trust	79.00	83.00
Investment Trust Shares:		
Can. Gen. Invest.	5.65	5.90
Can. Investors	4.25	5.25
Can. Int. Inv. Tr. Units	19.50	...
Can. Invest. Fund	3.15	3.35
Cons. Div. St. Sec. Units	11.00	12.00
Debent. & Sec. p.	22.50	...
Dom. Anglo Inv. Units	172.00	...
Dom. Scottish Inv. Units	21.75	22.25
Inv. Found. Units	39.00	...
Sec. Hold. Units	10.00	11.25
United Corpns. A	11.50	12.25
United Corpns. B	3.50	3.75
Power Issues:		
Calgary Power p.	88.50	89.50
Can. L. & P. c.	20.00	21.50
Can. W. Nat. Gas LH&P p.	91.50	92.00
Gr. Lakes Pwr. p.	40.00	49.00
Marit. T. & T. p.	12.75	13.50
N. B. Tel. c.	9.75	10.60
N. S. L&P c	40.00	44.00
N. S. L&P pfd.	88.50	90.00

Recent London Quotations:

Brit. Col. Tele., pfd.	$105
Brew. & Distillers	3s.
Canada Company	7s. 6d.
Can. & For. Secs.	4s. 6d.
Can. Collier, $1 com.	3d.
Do., pref. $10	3d.
Can. N. W. Land	£1
Can. West. Lumber	1s. 9d.
Hudson's Bay	25s. 6d.
Do., pref.	108s. 9d.
Imp. Tob. (Can.) 6% pfd.	27s. 6d.
Trust & Loan (15s. pd.)	3d.

Dominion and Provincial Bonds

Quotations furnished by A. E. Ames & Co., Toronto
November 7, 1934

Dominion of Canada Bonds

			Bid	Asked	Approx. Yield
Dominion	2	15 Oct., 1936	98.85	99.20	2.42
Dominion	2½	15 Oct., 1939	98.50	98.90	2.74
Dominion	3	15 Oct., 1942	98.75	99.25	3.10
Dominion	3½	15 Oct., 1935	100.65	101.00	2.33
Dominion	3½	15 Oct., 1944-49	97.50	97.85	3.68
Dominion	4	15 Oct., 1935	101.12	101.62	2.35
Dominion	4	15 Oct., 1939	104.35	104.90	2.92
§Dominion	4	15 Oct., 1943-45	103.00	103.35	3.56
§Dominion	4	15 Oct., 1947-52	102.50	102.85	3.72
Dominion	4½	1 Sept., 1940	106.95	107.35	3.11
Dominion	4½	15 Oct., 1944	106.85	107.25	3.62
Dominion	4½	1 Feb., 1946	106.75	107.15	3.72
§Dominion	4½	1 Nov., 1946-56	106.35	106.80	3.79
§Dominion	4½	1 Nov., 1947-57	106.35	106.80	3.83
§Dominion	4½	1 Nov., 1948-58	106.80	107.10	3.84
§Dominion	4½	1 Nov., 1949-59	106.95	107.25	3.85
Dominion	5	15 Nov., 1936	104.50	104.85	2.50
*†Dominion	5	1 Mar., 1937	105.90	106.50	2.12
Dominion	5	15 Nov., 1941	108.90	109.30	3.49
Dominion	5	15 Oct., 1943	109.90	110.30	3.64
†Dominion	5½	1 Dec., 1937 (with talons)	108.75	109.15	2.40
Dominion Guaranteed Bonds					
xGrand Tr. P.	3	1 Jan., 1962	94.50	95.50	3.25
xCan. Nat. Ry.	4½	1 Sept., 1951	108.87	109.37	3.75
*Can. Nat. Ry.	4½	15 Sept., 1954	103.25	103.75	4.22
xCan. Nat. Ry.	4½	1 Feb., 1956	109.37	109.87	3.82
*Can. Nat. Ry.	4½	1 July, 1957	107.75	108.25	3.95
xCan. Nat. Ry.	4½	1 Dec., 1968	105.37	105.87	4.18
xCan. Nat. Ry.	4¾	15 June, 1955	112.25	112.75	3.86
Can. Nat. Ry.	5	1 Feb., 1954	112.87	113.37	4.00
§xCan. Nat. Ry.	5	1 July, 1969	112.12	112.62	3.88
§xCan. Nat. Ry.	5	1 Oct., 1969	114.12	114.62	3.95
§xMontreal Harbor Cm.	5	1 Nov., 1969	114.25	115.00	3.92
Provincial Government Bonds					
Eastern—					
*N. Brunswick	4½	15 Apr., 1961	104.00	104.75	4.20
*N. Brunswick	5	15 Jan., 1960	110.00	110.75	4.30
N. Brunswick	5½	15 May, 1950	112.50	113.25	4.32
N. Scotia	4½	15 May, 1943	104.00	105.00	3.80
*§N. Scotia	4½	15 Sept., 1947-52	105.00	105.50	3.95
N. Scotia	4½	15 May 1961	106.75	107.50	4.03
*N. Scotia	5	1 Mar., 1960	112.00	113.50	4.13
xOntario	4	1 June, 1962	102.00	103.00	3.82
xOntario	4½	1 Sept., 1944	107.00	108.00	3.53
Ontario	4½	1 June, 1950	106.25	107.00	3.91
xOntario	4½	15 Jan., 1962	108.00	109.00	3.96
Ontario	5	15 Oct., 1948	110.75	111.75	3.90
xOntario	5	2 Dec., 1960	115.75	116.75	3.97
Ontario	5½	1 July, 1946	113.50	114.50	3.97
§Ont. H. C.	3½-4-5	1 Oct., 1952	98.50	99.25	3.90
xOnt. H. C.	4	1 Aug., 1957	101.00	102.00	3.87
Ont. H. C.	4¾	1 Jan., 1970	110.00	111.00	4.15
Quebec	4	15 Mar., 1952	102.00	102.75	3.78
Quebec	4¼	1 Aug., 1958	105.50	106.25	3.84
Quebec	4½	2 Jan., 1963	109.00	109.75	3.92
Western—					
*Alberta	4	1 Dec., 1957	89.50	91.50	4.59
*Alberta	4½	1 Oct., 1956	94.50	96.50	4.76
*Alberta	5	1 Jan., 1948	99.50	101.50	4.85
Alberta	5	1 Sept., 1955	99.50	101.50	4.88
xAlberta	5	1 Oct., 1959	102.00	104.00	4.73
*Alberta	5½	1 Jan., 1947	102.00	104.00	5.07
Alberta	6	1 Mar., 1947	104.50	106.50	5.28
*British Col.	4	1 Dec., 1957	87.50	89.50	4.75
xBritish Col.	4½	15 Jan., 1951	97.00	99.00	4.59
*British Col.	4½	1 Oct., 1953	93.00	95.00	4.91
*British Col.	5	15 Jan., 1948	97.00	98.50	5.15
British Col.	5	1 Sept., 1953	96.50	98.50	5.12
British Col.	5½	1 Feb., 1945	100.00	102.00	5.25
British Col.	6	15 Feb., 1947	102.00	104.00	5.55
*Manitoba	4	1 Dec., 1957	90.00	92.00	4.56
*Manitoba	4½	15 Dec., 1956	95.00	97.00	4.72
*Manitoba	5	15 June, 1954	100.00	102.00	4.84
xManitoba	5	2 Dec., 1959	103.00	105.00	4.67
Manitoba	5½	1 Oct., 1955	103.50	105.50	5.07
Manitoba	6	1 Apr., 1947	104.50	106.50	5.28
Sask.	4	15 Aug., 1953	84.00	85.50	5.21
xSask.	4½	2 July 1945	95.00	97.00	4.85
*Sask.	4½	1 Oct., 1961	89.50	91.50	5.26
Sask.	5	1 Aug., 1958	94.00	96.00	5.30
*Sask.	5½	15 Nov., 1946	99.50	101.00	5.38
Sask.	6	15 Mar., 1952	102.00	104.00	5.64
Alberta Guaranteed					
xGrand Tr. P.	4	25 Feb., 1939	96.00	98.00	4.51
*Can. N. W. Ry.	4½	16 Feb., 1942	97.50	99.00	4.66
‡Edm., Dunv. & B. C. Ry.	4	16 Feb., 1942	98.50	100.00	4.00
xEdm., Dunv. & B. C. Ry.	4½	22 Oct., 1944	99.00	101.00	4.37
British Columbia Guaranteed					
*Can. N. P. Ry.	4	2 Apr., 1950	93.00	94.50	4.50
*Can. N. P. Ry.	4½	2 Apr., 1950	99.00	100.50	4.45
*Pac. Gt. East. Ry. (bds.)	4½	15 July, 1942	93.00	95.00	5.29
*Pac. Gt. East. Ry. (stk.)	4½	15 July, 1942	97.00	98.50	4.73
Saskatchewan Guaranteed					
xGrand Tr. P.	4	22 Jan., 1939	96.00	97.50	4.65
Municipal Bonds					
*Calgary	5½	2 June, 1944	87	92	6.60
*Edmonton	5½	1 Nov., 1945	90	94	6.26
*Halifax	5	1 July, 1961	109	110½	4.34
Hamilton	5	1 May, 1950	108½	110	4.12
Montreal	5	1 Mar., 1945	100½	102	4.75
Ottawa	4½	1 July, 1945	103¼	104¾	3.96
*Quebec	5	1 June, 1959	101	103½	4.76
Regina	5	1 July, 1944	75	85	7.12
St. John	5	15 Dec., 1950	105½	108	4.32
*Toronto	4½	1 Jan., 1955	105½	107½	3.97
Victoria	5	21 July, 1945	90	95	5.62
Winnipeg	5	1 Mar., 1944	97	99	5.13

† Tax exempt issues. * Payable in Canada and New York.
§ Yield at call price.
x Payable in Canada, New York and London.
‡ Payable in London. ° Payable in Canada and London.

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and in its mining quotations elsewhere in this issue, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks of foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Manitoba Power Bonds

Manitoba Power Bond has been recommended to me as a good investment. Will you please give your advice?

It is difficult to understand the workings of a man's mind when he suggests to you Manitoba Power bonds as "a good investment" at the present moment when reorganization plan for Winnipeg Electric and all its subsidiaries is on the verge of being announced. Naturally, an unsettling period is ahead of these securities until some final arrangement is made.

Manitoba Power Company has been earning interest on its bonds, but in the next year or two may lose an important sales outlet in the City of Winnipeg. Much depends on the reception given by security-holders to the forthcoming plan of reorganization and later on the attitude which the Province of Manitoba and the City of Winnipeg will take toward the company. There is a surplus of power already but if the City should continue developing power, that situation would be worse.

If the City buys the whole enterprise there is a possibility that the offer may be adequate, but before buying these bonds it would be better to wait until the situation is better aligned.

Imperial Oil

I have 30 shares of Imperial Oil common bought at 13. Are these good for a long hold?

Your shares of Imperial Oil show considerable appreciation over the price at which you bought.

The stock is well regarded by the market, because the whole history of the company has been one of advancing earnings and dividends. Even in the last four years, when earnings were dropping until little more than dividend requirements, confidence in this company continued because of its extremely strong financial position and its leadership of the industry in Canada.

Two-thirds of its dividends are earned outside of Canada and mainly by International Petroleum. In the first six months of this year, it is generally believed that International Petroleum has had a considerable accession to its earnings because of the stronger rate structure of crude petroleum in the United States. International Petroleum sells its crude obtained in Peru and Colombia in world markets and that price is determined to a large extent by mid-continent oil prices. Therefore, any strength which may obtain in the United States will be helpful to the company.

On the other side, whenever there is a depressed condition as there was in 1932 and the first part of 1933, the company stands the gaff. International Petroleum does not publish an income account and therefore no one can be exactly certain as to the state of earnings. However, the fact that International Petroleum and Imperial Oil were able to pay bonuses recently shows that considerable accumulated earnings from past years are still available. The crude oil price in the United States is now under fire. If federal control fails the price may break. That would not help International Pete or Imperial Oil, but few other world companies are so well heeled to stand the gaff.

Goodyear Preferred

I have suggested as a purchase suitable for an elderly lady Goodyear preferred stock. What do you think?

Goodyear Tire and Rubber Co., of Canada has been paying dividends on both preferred and common stock for the last three years. It has paid in full its dividends on the seven per cent preferred stock ever since its issue in 1919. In 1921 and 1922 the dividends were abandoned except for one quarter. But deferred dividends were entirely paid off in the next six years. It had, in addition, redeemed all its prior preferred stock so that this is now the first call on the company's assets as the company has no indebtedness whatever.

The preferred issue outstanding at the end of 1933 was $7,247,300. Earnings applicable to this dividend have grown from two times in 1924 to six and one half times in 1929 and to nearly three times in 1933. The company has resisted the depression influences strongly and in the last year it has been able to increase its common dividends. It has very strong working capital, cash alone being $7,000,000.

Beatty Bros. "A"

May I ask you to advise me on the prospects of Beatty Bros. "A". When were dividends last paid on the stock, and what are the prospects of their being renewed? I presume it ranks next to the preferred, on which dividends have been maintained?

The last dividend payment on class "A" shares of Beatty Bros. was paid Feb. 1, 1932. The class "A" ranks next to the second preferred and is senior to class "B". Not since 1930 have dividend requirements been covered on all classes of stock of this company, though dividends have been maintained on the two preferred classes. For the first time since the company was incorporated, 22 years ago, there was an operating loss in 1933 of $158,000 which, after the dividends on the preferred, resulted in a deficit of approximately $270,000. The report for the last fiscal year, which ended August 31, is not yet available, but it is understood that the company has been doing a greatly improved business. Since July, 1933, almost continuous monthly gains have been reported with sales for the first nine months up 23 per cent over the corresponding period in 1933. The increase, it was stated, was general in all lines and applied to both the domestic and export business of the company. It is expected that earnings in the next annual report, which should appear early in December, will be more than sufficient to meet dividend requirements on the first and second preferred stock but little hope is held for an immediate resumption of dividends on the A stock.

McColl-Frontenac

I am considering purchasing some of the higher yielding industrial bonds and have under consideration McColl-Frontenac Oil Co. first mortgage. It would be appreciated if you could let me have a report on this security.

McColl-Frontenac Oil Co.'s report of earnings in the last five or six years shows that bond interest, after depreciation and bank interest, has been earned by a comfortable margin. There has been a tendency for net income to decline in recent years, but the report for the fiscal year 1934 shows that the funded debt charges were covered 3.6 times after depreciation and bank interest.

The financial position of McColl-Frontenac is satisfactory. There are no bank loans, while the current assets are well in excess of current liabilities. The book value of equity behind the bonds has increased steadily and at January 31, 1934, amounted to $2,234 for each $1,000 of bonds outstanding.

Current reports on operations of the company are to the effect that revenue is on a basis comparing satisfactorily with that reported last year. Substantiation of this report is to be seen in the fact that last May the company's management increased the dividend on the common stock from 60 to 80 cents a share annually.

Regal Bakeries

Have the common shares of Regal Bakeries, Ltd., any value? I understand that a year or so ago, there was a merger of some kind. What possibility is there of realizing anything on this stock? In 1929, the president of the company was J. S. A. Whealy and the secretary, A. W. Griffin.

Regal Bakeries sold its plant a modern one, to George Weston Bread and Cakes a couple of years ago. We do not know what disposition was made of the money received for the bakery. The president has died, we understand, and attempts to gain information have not been successful.

Soo Line

What is the position on the Minneapolis, St. Paul and Sault Ste. Marie Ry., especially in regard to the bonds?

The Minneapolis, St. Paul and Sault Ste. Marie Railway Co. is controlled by the Canadian Pacific Railway Co. It owns and operates, directly and through subsidiaries, railway lines in the Northern States, west and south of the Great Lakes, forming a part of the Canadian Pacific Railway system. Total mileage is 3,251 miles. For the year ended Dec. 31, 1933, the company had an operating revenue of $12,866,942, which was slightly higher than for 1932, but very considerably less than the revenue in 1928 to 1930 when the average was about $27,000,000 per year. Net operating revenue in 1933 amounted to $2,236,656, but after fixed charges, largely interest on mortgage bonds, of $6,462,402, there was a loss of $4,843,496 as compared with a net loss of $5,539,040 in 1932. Deductions during the year brought this total loss up to $6,524,867 which reduced the previous surplus carried forward to $657,542. Nothing has been earned on the preferred shares since 1929 and nothing paid since 1923. The company has a funded debt of $93,240,800, of which the four per cent first consolidated mortgage bonds, the four per cent second mortgage bonds and the 5½ per cent first refunding mortgage bonds "B" are guaranteed as far as interest is concerned by the C.P.R. In addition, the latter company guarantees about two-thirds of the interest due on the five per cent first consolidated mortgage bonds. Ever since 1931 current liabilities have greatly exceeded current assets, the deficit in working capital at the end of the last fiscal year amounting to $16,446,351.

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International Power

As a subscriber to The Financial Post, I would appreciate an opinion from you on International Power Co. I am a holder of some of this company's bonds and am wondering whether or not there is any possibility of a default in interest payments.

We are given to understand that there has been some improvement in the position of International Power Co. during the current year. As you are probably aware, this company has large bank loans which it has been unable to capitalize owing to the state of the financial market. Interest on these loans absorbs a fair amount of the company's income. In 1931 the company found it advisable to defer dividends on the preferred stock until there was an improvement. Reports of the company and its operating subsidiaries for 1933 indicated that progress had been made and current reports are that conditions have continued to improve. While the bank loan is a bit of a problem, there is no reason for believing that the company will default on its bond interest.

Melchers

Kindly advise what are the present position and prospects for 1935 for Melchers. Is there any hope of resuming dividends?

Ability of Melchers Distilleries to resume dividend payments will depend very largely upon the successful outcome of the agreement entered into last spring between the company and Russell C. Feldman and Co. Inc., New York City, for the sale of its entire holdings of American type whisky. At the time the deal was made public, the president of Melchers stated that Melchers held approximately 550,000 gallons of American type whisky and that the purchasers would take delivery within a year. He declined to indicate the price at which the sale had been concluded until the board had formally ratified the deal. He did say, however, that with the cash to be received from the sale, the company would be able to liquidate its dividend arrears on the A stock and have a surplus over for the B stock. Since that time, marketing conditions in the United States have been rather unsatisfactory, due to the high tax imposed by the Government, which has tended to restrict sale of whisky through legitimate channels. It is not known just how this situation has affected the agreement between Melchers and the Feldman Company, but the financial statement for 1934 should provide the shareholders with a clear idea as to how the liquidation of inventories is working out.

Brooks Steam Motors

I have stock in Brooks Steam Motors, Ltd. Is there any chance for it?

Brooks Steam Motors ceased manufacturing some years ago. The only chance for the shareholders was to prosecute a claim against the promoter who went to the United States. It is scarcely likely that anything of value will ever be available for this stock.

National Steel Car

How do National Steel Car's returns for 1934 compare with 1933 and 1932? What are their prospects for next year?

National Steel Car reported an operating deficit of $229,757 for the fiscal year ended June 30, 1934. This compared with a deficit of $290,686 in 1933 and a profit of $59,483 in 1932. The latter figure included reparations awards, less incidental expenses. From 1932 to 1934, working capital declined from $1,478,374 to $863,958. In so far as working capital is concerned, however, the company is in a sound position to carry on until such time as there is an improvement in the demand for its products.

It is not easy to give you a definite opinion as to the prospects for National Steel Car for 1935. As you are probably aware, the car companies have had little or no business from the railways in the last two or three years, and until such time as the Canadian National or Canadian Pacific Railway re-enter the market, there is no prospect of them developing anything in the way of a substantial earning power. The prospects of National Steel Car, therefore, are entirely dependent on the renewal of equipment buying by the railways. There is talk that the Government may make advances to the railways to purchase equipment on the Unemployment Relief Plan, but to date there is nothing official in this respect.

Vancouver Western Drug

Would appreciate a line-up on Vancouver Western Drug, in which I hold some of the preferred stock.

Net profit of Vancouver Western Drug Co. increased from $5,408 for 1933 to $9,765 for the year ended May 31, 1934. Before interest, depreciation and income taxes, earnings of the company amounted to $61,006 as compared with $53,014 for the previous year. The company followed the same policy of the previous year in paying half dividends or 3¼ per cent on the 6½ per cent preferred shares. This took $12,762, or about the same as in 1933 and resulted in a deficit of $2,997 as compared with a deficit of $7,366 in 1933. Thus, last year's surplus of $64,528 was further reduced to $61,531 at the close of the last fiscal year. The company reduced its bank loan resulting in a saving of interest of almost $2,000, and this helped to improve the working capital from $282,161 to $286,423. At the end of the last fiscal year total current assets were down from $421,183 in 1933 to $393,936. The decline was entirely due to a drop in inventory value from $402,239 in the previous year to $364,970.

No additional stores were added to the company's retail chain which operates in Vancouver, New Westminster and Victoria, during the last fiscal year, but since then it is understood two more drug stores have been opened. Since the end of the last fiscal year on May 31, it is understood that the improvement noted at that time has been continued, but there is no indication yet that the present policy of paying half dividends will be changed.

Lloyd Refineries

Would you please give me report on Lloyd Refineries Ltd. The works are situated at Port Credit, a short distance out of Toronto.

Lloyd Refineries owns a recently constructed refinery near Port Credit and has been supplying some gasoline and, we think, some fuel oil to independent dealers. In the present keenly competitive market, stock of such a company must be regarded as speculative. There is always the chance that profitless competition of a kind that has become quite common on this continent in the last few years might start in its area and eliminate a small company of this kind. Much also depends on the constancy of the sources of crude and of other imported oil products at prices which will permit profitable operation. Customs duties, excise taxes and sales taxes have changed in their incidence considerably from time to time during the last several years.

There is also a difficulty in marketing such stock as it is not listed anywhere.

Drummond Realty

Please let me have a report on the current position of Drummond Street Realty Corp.

There is no likelihood of the Drummond Street Realty Corporation paying interest on its first mortgage bonds this year. You will recall that payment was suspended in the early part of 1932, when the bondholders agreed to suspension of interest and sinking fund payments for a limited period. Since that time there has been no material change in the position of the company, and while gross earnings during the current year are somewhat better than a year ago, yet income does not warrant the payment of interest. It is just possible that the bondholders will be asked to approve a further suspension of the company's obligation under the trust deed.

Huron & Erie and Canada Trust

I have about two thousand dollars which I would like to place in a secure investment but would like a little higher yield than that offered by Dominion Government bonds and more safety than from municipal bonds. What about Huron & Erie debentures or Canada Trust Co.?

Huron & Erie Mortgage Corp. is one of Canada's largest and oldest mortgage lending companies. It was incorporated in 1864 and has been paying dividends ever since 1865. The company has a paid-up capital of $5,000,000 and reserves of $2,000,000 and earned $7.07 on the common stock in 1933. It controls the Canada Trust Co. which earned $10.02 on its stock in 1933 and paid a dividend of $10.

While the present time has been a peculiarly difficult period for mortgage lending companies, Huron & Erie has had a long and enviable record and is considered one of the best managed concerns in the business.

An investment in debentures issued by this company would mature earlier than long term Dominion Government bonds and might require re-investment at a lower figure, depending on current rates, at maturity. Recently, most of these mortgage or trust companies have lowered their rate of interest, but, of course, there would be no variation in yield during the life of the debentures or certificates. In June of this year Huron & Erie announced a reduction in interest rates on regular deposits of from 3½ to 3 per cent per annum, effective July 1. On Sept. 15, the rate of interest allowed on debentures was reduced from 4¾ to 4½ per cent. It is possible that the rates may be further reduced on new debentures to be taken out. At December 31, 1933, Canadian debentures outstanding with this company amounted to $27,375,550 and sterling debentures to $1,795,046. Saving deposits amounted to $8,958,935.

Guaranteed Trust certificates issued by the Canada Trust Co. yield 4¾ per cent and run from one to five years.

The great bulk of the money handled by both companies is invested in mortgages with a substantial portion in Government bonds.

Canadian Canners

Rather than wait until my government bonds mature in 1940, I am thinking of switching to Canadian Canners bonds due 1950. Can you give me particulars of such securities and also something about company's activities?

For the fiscal year ending February 28, 1934, Canadian Canners after depreciation, exchange, interest, etc., earned interest on bonds 2.62 times as compared with 2.35 times in 1933. Only once in the last seven years was this interest not earned by a large margin. For the last fiscal year, the company had a net profit of $342,908 as compared with a net profit of $303,785 in 1933 and a loss of $103,136 in 1932. For the present fiscal year, it is understood that this company has been doing very much better in common with all canning companies as a result of better prices, lighter packs and the liquidation of much of the heavy carry-over in stock which resulted from the very heavy stocks accumulated in 1932 and the low prices which prevailed for those stocks that year and part of the following. There are two classes of bonds in this company, the 30-year first mortgage due April 1, 1940, paying 6 per cent, of which $990,000 are outstanding, and the general mortgage 25-year issue at the same rate of interest due July 2, 1950, of which $2,273,900 are outstanding. In both cases principal and interest is payable in Canadian or U.S. funds at the holder's option. The first is callable at $110 and interest at six months notice, and the second at 60 days notice at $105 and interest.

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New Books

AMERICA'S HOUR OF DECISION, by Glenn Frank, president of the University of Wisconsin. Published by Whittlesey House, McGraw-Hill Book Co., 330 West 42nd Street, New York City, at $2.50.

Dr. Frank's newest book is a splendid indictment of the highly publicized current fallacy that what the world is suffering from is excess production and an excess supply of goods. The obvious implication of such a belief is that abundance must be abolished by the restriction of production and the boosting of prices. With this policy, Dr. Frank expresses a determined disagreement.

In his opinion, the congested surpluses that so gravely concern government are false surpluses. "Enough legitimate need exists," he says, "to absorb every existing surplus and call for a marked expansion of our productive facilities."

Contemporary politics is formulating policies to fit an assumed surplus economy that does not exist instead of searching for the policies that will release the locked energies of the actual economy of plenty that does exist.

Low Gear Not Enough

Dr. Frank sets as the proper objective higher wages, shorter hours, lower prices and a narrower profit margin per unit of sale or service. In the long run this means not only greater social satisfaction to the masses but greater total profits to the producers.

But to achieve this end, science, technology, and power production must not be run in low gear. There must be emphasis on mass production and mass consumption.

Recovery would have been further along today if we had spent less energy in boosting prices, had centred attention more effectively on boosting incomes. Restricting production and raising prices is not liberalism but reaction, not statesmanship but surrender, not creative advance but cowardly retreat. Dr. Frank pictures a vast new market, an unexploited business Eldorado, if business and industrial leadership will but see it and set seriously about its creative development.

He has little faith in purely political schemes for equipping the masses with the buying power that is necessary in an economy of plenty. He would not leave a solution of the problem to politicians but urges business men, industrialists and financiers to listen to the mass demand for economic security and to develop policies that will provide it.

University President

Dr. Frank has become one of the great leaders of public opinion in the United States. He speaks in telling phrases, hundreds of which in this book alone could stand on their own feet as economic epigrams. There is little economic theory, practically no citation of figures, facts or authorities. He speaks much in the language of the after-dinner lecturer. Thus, his writings have a wider appeal than those of the average economist whose views may be as sound and as well developed but which cannot get across to the great mass of citizens.

Dr. Frank has had experience in business, journalism and public administration and is now head of a leading American university.

Written to the American people, "America's Hour of Decision" is so applicable to conditions in Canada as well that one would have to change but few words and phrases in it to make it properly entitled to the name of "Canada's Hour of Decision."

"PEACE WITH HONOR" by A. A. Milne, Published by McClelland and Stewart, Toronto at $1.75.

The author of "The Dover Road" and the Christopher Robin verses joins a host of other writers, propagandists, scientists, and citizens in a determined attack upon war. How effective mass pamphleteering for peace can be in a world ruled by distrust remains to be seen. The pamphleteers—Nichols, Milne, Drew, and others—must combat the poison of propaganda which works slowly but effectively to create the conditions and the atmosphere that makes for war.

Mr. Milne's thesis is that he is against war and that if everyone was against war, there would be no war. In fact, he believes that if only a few very important people, for instance, Ramsay MacDonald, Mussolini, Stalin and Hitler were against war, there would be no more war in Europe.

Let's Renounce It

"War is something of man's own sponsoring and if all mankind renounces it, then it is no longer there," he claims. There is something of this elemental simplicity throughout the entire volume which will bring down upon it the ridicule of the realists. In fact, if this is all that Mr. Milne had produced in "Peace With Honor," it could hardly be regarded as effective.

But he has undertaken to show up nakedly the hypocrisy of most discussions about "national honor" "national pride" "human nature," etc. When we talk of national honor we really are talking about national prestige which is quite a different thing, he argues. Prestige is the will to war.

This restless protest against the national shibboleths that lead to war develops as the chapters unfold themselves into a biting (but not exactly bitter) analysis of ancient hypocrisies and current fallacies. Mr. Milne asks statesmen to renounce war. Obviously they have no intention of doing it but when ten thousand Milnes have each written a hundred widely-circulated books on the subject then indeed the world may have "peace with honor."

Canada Wire and Cable

I am holding Canada Wire and Cable Co. preferred shares. Are the prospects for a renewal of dividends on Canada Wire and Cable likely to come about in 1935?

While the volume of business being handled by Canada Wire and Cable Co. at the present time is probably larger than was experienced last year, the price of copper is so low that returns to the company are very small. At this time the company is not earning sufficient money to pay a dividend on the preferred stock and it is problematical as to whether or not dividends will be re-established in 1935.

Canadian Car

Kindly let me have your opinion on Canadian Car and Foundry. Is there any prospect of this business developing in the near future, which would permit a resumption of dividends on the preferred stock?

Canadian Car and Foundry is dependent upon the buying of railway equipment by either the Canadian National or the Canadian Pacific Railway. Business from this source has been negligible in the last two or three years. Until such time as either of the railways have re-entered the market, the company's earning power must remain limited. There has been a considerable amount of talk of the Government advancing money for the purchase of equipment as an unemployment relief measure. While this may occur, officials of the principal car manufacturing companies inform us that there is no assurance that such business will develop this year. In more normal times, Canadian Car has demonstrated its ability to report substantial earnings.

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Rackets

Racket: "A trick, dodge, scheme, game, line or business or action."—Shorter Oxford English Dictionary.

Whisky Futures

A NEW type of "investment" that may appeal to the gullible with money has been discovered in the United States since the repeal of prohibition. Buyers in both that country and Canada are being asked to put their hard earned cash into whisky warehouse receipts. This government bonded whisky, they are told, is only valued at $2 per gallon or less than the retail value per quart and is kept in storage for ageing purposes. At this price, it looks like the chance of a lifetime. The deal has all the appearance of safety except in the huge paper profits implied.

The whisky stored in government bonded warehouse is generally recognized as a regular commodity and has a collateral value for advances. The receipts are also transferable. While most big distillery companies retain the ownership of their product while in the government warehouses, and after ageing, bottle it under their own brands, some of the new companies, being rather short of capital, concern themselves only with distilling and have no desire to tie up funds for the six months to ten years necessary for maturing. Because of this the warehouse receipts for such liquor enter commercial business channels.

The ordinary sucker investor, however, is seldom given any of the vital facts concerning the proposed investment. He is probably not aware that whisky, like many other commodities, evaporates rapidly when in storage and over a three-year period may lose as much as 20 per cent. Moreover, the commodity cannot be withdrawn except by a government licensed agent. Incidentally, too, the stock salesman often neglects to inform his client, or perhaps we should more properly term him "victim," that taxes and storage charges constitute a regular and substantial monthly bill on his investment. In not a few cases, too, the salesman does not represent a distiller's agent at all but is simply a middleman who is capitalizing on the investor's lack of knowledge.

Big P. E. I. Potato Crop

Reports from Charlottetown, P.E.I., state that the outlook for the potato industry is not very bright. A larger crop than last year is expected and with a similar situation in both New Brunswick and Maine, coupled with curtailed export markets, hopes for a good price are not promising.

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The Week in Mining

That Gold Tax

THE portending dispute between the federal and Ontario provincial governments as to the allocation of the increased value of gold, might at first glance appear to be purely a legal argument. A little study, however, indicates that it is more of a moral argument.

Almost without exception, the daily press has handled the dispute in its news columns as if it were a question as to whether or not the federal government had any right to the tax at all. However, section 91, sub-section 3 of the British North America Act clearly gives the Dominion the complete jurisdiction over "the raising of money by any mode or system of taxation." So that any attempt on the part of the Ontario government to deny Ottawa the right to the federal gold tax would be, to say the least, futile.

The only point at which the constitution enters the picture, is as to whether or not the province would have the right to levy a similar tax. As is well known, the province's taxing powers are limited to direct taxation; i.e. a tax in which the incidence cannot be shifted to a third party. That this limitation is made to cover a wide field is seen in the fact that the amusement and gasoline taxes, both, in one sense, indirect taxation, are provincial levies.

A competent authority, in discussing the question with The Financial Post, took the view that the Federal Gold tax, inasmuch as it is levied on the increment, or difference between the standard price of gold and the actual price, is a tax on income. Admitting that this was a debatable view, he maintained, as undebatable, the right of the province to levy a similar tax.

Mining men, as might be expected, have only one view in the matter. They would like to see the tax removed altogether. While the federal tax is termed only a temporary one, and was imposed in March for one year only, it is considered unlikely that, if the premium on gold remains, the tax will be removed altogether. Mining men as well face the fact that some sort of tax will be collected, based on the exchange compensation. However, it is also unlikely that the province would care to face the uproar which would be bound to ensue if it levied a tax in addition to the present federal one.

Morally, and apart from all legalities, there is a lot to be said for the view that the province has first claim on the bullion tax as at present collected for the federal coffers. It is, after all, the province which spends the most money on road building, power lines, and other aids to successful production.

But, morally or immorally, the federal government appears to be holding the trump card, inasmuch as it, and not the province, controls the market for gold, and in addition has much wider powers of taxation than the province.

The present discussion, therefore, appears to one of Might versus Right.

* * *

Market More Cheerful

APART from a drive on Gunnar Gold stocks, the mining market decline eased off considerably last week, and a new note of optimism was apparent, especially toward the end of the week. The drive against Gunnar, which followed a mediocre progress report, included several other junior gold stocks, but was short-lived.

Credit for the return of confidence must in large part go to Noranda, which touched a high mark of $32.65 on announcement of a $1 dividend. The Christmas bonus announced by Bralorne, and the new development at Little Long Lac Gold Mines, also helped the market to assume a rosier hue than it has had for many weeks.

Teck-Hughes shared the general rejuvenation, gaining as much as two cents per share.

Apart from Eldorado, the silver groups did not rise as noticeably as the golds and base metals. Eldorado picked up three cents, but eased off toward the end of the period.

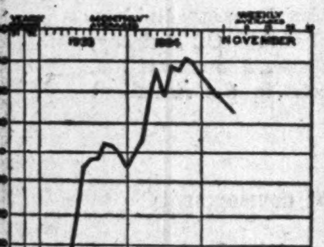
On the whole the week brought a distinctly happier tone to the mining market.

* * *

Index to Mining Stocks

The weighted index number of twenty-three mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 125.9 for the week ending November 1st, as compared with 131.3 for the previous week.

Nineteen gold stocks fell from 130.7 to 126.4, and four base metal stocks from 138.5 to 128.6.



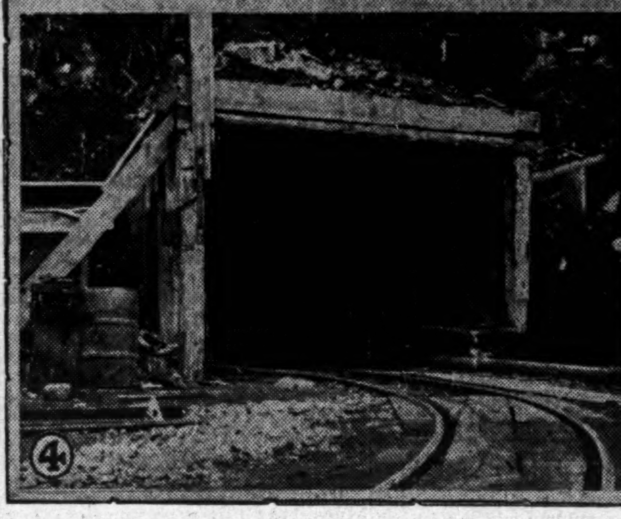
Dik Dik Acquires Option in Sturgeon River Area

From Our Own Correspondent

SUDBURY.—Officials of Dik Dik Extension Mines announce that the company has secured an option on the Merrifield group of eight claims adjoining the Karl Springer holdings in the Sturgeon River area. It is planned to commence operations almost immediately, and supplies have already been shipped in to the property. During the past few months exploratory work has been carried out on the syndicate's original group of 18 claims situated in the Atigogama Lake section and adjoining the holdings of the Dik Dik Exploration Co. on the south and east.

News of Canadian Mining Investments

Where B. C. Nickel Is Spending $2,000,000 In Effort to Make Mine



Directors of B. C. Nickel, in a current progress report, declare themselves to be encouraged by results to date. But $600,000 spent on the property under the Smith-Spencer-Sloan syndicate direction still leaves the future of this much-discussed and ambitious attempt to produce another competitor for International Nickel Company in doubt.

The syndicate is committed to spend $2,000,000 in all.

These photographs, taken by The Financial Post on a recent visit to the property, give some indication of the large scale operations under way.

1. Group of main camp buildings adjacent to No. 1 tunnel, which has been driven nearly one mile through the mountain. About 135 men are at work here.

2. Major "Cy" B. North, hard-driving mine superintendent whose men love him.

3. Saw-mill on the property. The company has built also its own 700 h.p. electric plant, damming a mountain creek.

4. Entrance to No. 1 tunnel and 6, another view of the tunnel.

5. The mountain road from Choate, on the C.P.R., to the main entrance tunnel, carved out of the steep rocky mountain side at a cost of $135,000. With an average grade of 10 per cent it is in itself a remarkable engineering achievement and gives visitors to the mine the thrill of their lives, especially on rainy days.

B. C. Nickel Progress Chart Refrains from Ore Estimate

Company "Encouraged" But Does Not Yet Consider Quantities and Values Can be Totalled

B.C. Nickel Mines has issued a progress report. It give slight encouragement but is far from final. It still leaves unanswered the question as to whether or not the company is going to be able to produce a large scale nickel mining and smelting enterprise in the coast province.

B.C. Nickel has considerable ore, revealed by surface exploration, by electrical survey, by diamond drilling and by tunnelling.

The report attempts no estimate of the total amount of ore available. It gives some information as to values, but with 38 separate and somewhat scattered bodies to be studied, and with a considerable variation in the assays from each, no all-over average can yet be given.

Much Money Spent

Nearly $800,000 has been put into the property by the syndicate that took it over in late 1933. Of this nearly $200,000 went to clean up old debts, $600,000 for development. The first $135,000 was used to build a road. The ore showings were all high up on the mountainside. An eight-mile mountain road, with an average 10 per cent grade rises to about 4,000 feet, where the chief and highest tunnel enters the rock. Here camp buildings have been erected.

Tunnels and Tramways

Two tunnels have been driven in the general direction of the two chief groups of ore bodies. One is finished; it goes right through the mountain. It was not intended to hit ore at any particular point but it did strike some good ore.

No mention is made of a mill. It is known that the engineers have surveyed the ground for stations for the ore-conveying system and the concentrator—if ever erected—will be in the valley close to the C.P.R. main transcontinental line. The site is near the station of Choate, on the Fraser river, not far from the old head of navigation at Hope.

Ore would be carried by two aerial tramways—one from each tunnel—to a central station, then by another main tramway, which would be nearly four miles long, to the concentrator.

But all this is in the future, very much so. No mill can be built until more and richer ore is proven up.

Surface Exploration

A magnetometer survey of the surface of the company's property, two tunnels into the mountain, and diamond drilling, both from the surface and from the sides of the tunnel have been included in the company's programme of exploration of its property. Some of the results found in this exploration work are revealed in the interim report, which is signed by Major C. B. North, the mine superintendent.

Of the electrical survey made in August it says: "In June of this year a magnetometer survey of a portion of the company's property was made. This survey outlined an ore body previously located and found three new bodies. Open cutting was done on these three bodies and ore was found in all of them. The results were so gratifying that it was decided to survey a much larger area of the property—in particular the areas in the vicinities of the tunnels. Thirty-eight probable ore bodies have been indicated by the magnetometer and so far eight have been open-cut and proved to contain ore. The magnetometer survey has covered an area of approximately 400 acres, of which seven acres are believed to be ore bodies."

Widely Scattered

The interim report carries with it a geological map showing the location of these ore bodies. They are widely scattered and irregularly shaped. No details are given of the values found on the surface or revealed in diamond drilling from the surface.

To develop the property two tunnels have been driven into the mountain side. Of the first of these tunnels, Major North's report says: "No. 1 tunnel was started on November 15, 1933, at an elevation of 3,530 ft. and will be 4,600 ft. long when completed. To date 4,976.5 ft. have been completed, including 4,565 ft. on the main heading.

Found New Ore Body

"At 1,300 ft. from the portal, an ore body, of which there is no surface indication, was cut. This body is 140 ft. long and 80 ft. wide, showing an average grade of .60 per cent nickel and .35 per cent copper; the best 5 ft. section running 1.75 per cent nickel and .9 per cent copper. This body was intersected by the tunnel at a point 500 ft. below the surface.

"On the north side of the tunnel at 1618 ft. a diamond drill cut 120 ft. of ore which averaged 1.13 per cent nickel and .49 per cent copper. A 3 ft. section of this body assayed 2.59 per cent nickel and .87 per cent copper, .005 oz. gold and .18 oz. silver. Five feet of this section ran 5.1 per cent nickel, and 1.5 per cent copper. From the same set up, another hole was drilled which ran into ore 170 ft. to the east. Thirty feet of ore averaged 1.12 per cent nickel and .90 per cent copper. It is believed that this large body is the downward projection of an ore body located above it on the surface by the magnetometer. There is 600 ft. of cover above this ore body.

Two Other Showings

"The Pride of Emory showing was drilled from the tunnel at 3,200 ft. from the portal, but up to the present has not been located. If this showing does not go below the depth already traced by surface drilling it will contain approximately 150,000 tons of ore.

"Directly below the Brunswick showing and 3,800 ft. from the portal, a diamond drill hole ran through a body of ore of which 60 ft. averaged 1.1 per cent nickel. This ore is 325 ft. below the Brunswick open-cut which showed an average of 1.2 per cent nickel over 38 ft."

Now Through Mountain

Since the above report was written the No. 1 tunnel has got through the mountain. Now that it is open at both ends, much of the power that has been used for purposes of ventilation will be available for development work and this should speed up diamond drilling operations and cutting in the No. 2 tunnel.

Speaking of the No. 2 tunnel Major North's report says: "No. 2 tunnel site was chosen 1,800 ft. to the east of No. 1 tunnel at an elevation of 3,275 ft. This tunnel was started below an open cut showing strong mineralization and is heading for a surface showing found last November. In this tunnel, 2,045 ft. of drilling has been done including 1,816 ft. on the main heading. This tunnel should soon be in the mineralized area."

Reference is made in the report to the doubling of the power plant on the property to 700 h.p. Major North concludes by saying that the development to date, while most gratifying to the management and better than was anticipated, is not far enough advanced to make possible an accurate estimate of blocked-out tonnage.

38 Ore Bodies

When The Financial Post visited the property recently about 135 men were at work. In addition to nickel, copper, gold and silver showings, there were values in cobalt and sulphur to which no reference is made in Major North's report. The most interesting surface showing was the Pride of Emory No. 1, which showed substantial values down to 200 ft. depth when diamond drilled. The fact that this showing has not been found in drilling from the tunnel has proved disappointing.

When the present management took it over, there were only four showings of ore, but this number has been increased to the 38 probable ore bodies mentioned in the report. Apparently no single one of these has been proved up to contain any very large quantity of known ore. Very official estimates are that as much as 4,300,000 tons of possible ore, averaging all the way from about 1 per cent nickel to about 2.5 per cent nickel, has been shown as likely to exist.

The company apparently anticipates no trouble regarding supply of power for a mill if, as and when built. There are water sites available in the neighborhood and in addition British Columbia Electric Co. has made an attractive offer of power. The power cost will be approximately $12.50 per h.p., under this basis.

Values Roughly $7

A rough estimate of values is that they average about $7, not allowing for the precious metals. Some visitors to the property estimate that cost of mining and milling would be about $4, not counting depreciation, depletion, taxes, etc.

Financing Arrangements

The company is being financed by a syndicate of the directors, including Bernard Smith, of New York, Colonel Victor Spencer and David Sloan, of Vancouver. There is a capitalization of 6,000,000 shares of $1. par value each, all outstanding. The syndicate paid off the indebtedness of the old company, amounting to $175,000, and undertook to finance the property to the production stage. In return for this, they were granted 4,500,000 shares in the company. Under this arrangement, amounts up to $2,000,000 were promised.

The present interim reports give no information concerning finances except the statement that the debt and debentures have been retired in full and that something over $600,000 has been advanced for construction and development purposes as required by the terms of the agreement.

Officials Mum

Recent attempts by The Financial Post to obtain from officials a statement of the financial arrangements met with promises but no results.

It is understood that under the agreement all money advanced by the syndicate is to remain as a first charge on earnings to be returned to them in addition to the stock which they have obtained.

B. C. Nickel has recently been selling around 50 cents after collapsing to the 30's. It touched a high of $1.76 on May 2 per share. At that time trading was running over 400,000 shares a week in Vancouver.

CONIAGAS BARES STURGEON VEIN OVER 750 FEET

Prepares to Blast Showing For More Thorough Sampling

From Our Own Correspondent

SUDBURY.—Latest word from the exploration operations of Coniagas Mines on the Sturgeon River Gold Mines property is to the effect that No. 3 vein, which yielded some high assays, has been uncovered for 750 ft. and was being blasted for more through channel sampling. There is probably some superficial enrichment in the preliminary sampling at surface before blasting, but this is generally thought to be slight as much of the gold is visible right in the quartz which stands out. The vein while narrow is obviously persistent in diorite rock. It will probably be drilled after being opened up at surface.

Report New Discovery

Recently a new discovery, regarded as important, was reported as the probable east extension of the No. 1 vein, 1,100 ft. from where it was discovered intersecting No. 3 vein.

Sturgeon River Gold is capitalized at 3,000,000 shares, of which 1,000,000 went to the vendors. Coniagas has 1,000,000 shares optioned, while the vendor interests have the other 1,000,000 shares optioned at similar prices. R. H. Hutchinson, of Sudbury, is in charge for Coniagas.

Move Whole Village For Million Ton Blast

From Our Own Correspondent

VANCOUVER. — To break up a million tons of ore is the objective of a blast that will be fired at Hidden Creek mine, near Anyox, during the next few days. Preparations have been going on for months, tunnels driven and miles of wire laid. A whole village with a population of several hundred has been moved to make way for the big explosion.

Last year a big shot was fired which broke up 300,000 tons of ore. One hundred tons of dynamite will be used in the present blast, believed to be the biggest in mining history in this part of the world. Some of the dynamite will be placed as deep as 800 feet from the surface. A 50-ton dynamite blast in the Carbon-Molybdenum in Colorado marked the high for that section some years ago.

PUT GRANGE MILL ON REGULAR RUN AT 60 TONS DAILY

Expect First Shipments of Concentrates Middle of Month

From Our Own Correspondent

VICTORIA. — The remodelled plant and new Marcey mill at Grange Mines was turned over a week ago to try out new bearings and following some minor adjustments was started on its permanent run at the increased capacity of 60 tons a day, it is announced officially.

It is estimated that the first shipment of concentrates from the steady operation will be made about the middle of November. At the end of this month the management expects to issue a statement of production and costs which will constitute the first actual gauge of the mine's possibilities since operations began. Hitherto the mill has been utilized more for testing purposes and for the treatment of ore taken from development. Now, however, it is on a permanent production basis and at the end of the first 30 days a definite report will be possible.

At September 1 the position underground showed 11,500 tons of ore definitely blocked out on three sides between the 5th and 6th levels. Since that time, it is stated officially, extensions of the 6th level both north and south have placed an additional 12,500 tons in sight. This gives a total of 24,000 tons of ore—approximately one year's supply for the mill on a 60 ton per day basis. Average grade of ore, according to A. J. Gaul, the company's consulting engineer, is about $30 per ton.

A crosscut from the 6th level north drift recently cut a parallel vein which so far has averaged 4 ft. in width and carries values of 1 oz. per ton or about the same as those in the main vein. Some 60 ft. of drifting has been carried out on this vein to date.

A complete assay plan of the property is now being made and is expected to be finished shortly.

Abco Mines Makes Strides On Herbert Arm Property

From Our Own Correspondent

VICTORIA.—Rapid progress is being made on the preliminary development work at Abco Mines, on Herbert Arm, west coast of Vancouver Island, according to officials of the company. The mile of sea level road from the newly constructed landing stage to the main camp is expected to be finished next week and active mining will then get under way. There are ten men working at the property and the company is stated to be financed sufficiently to carry out its present development plans.

INCO'S DIVIDENDS WELL CARED FOR BY 1934 EARNINGS

Expect Net Profits Slightly Off For Third Quarter

From Our Own Correspondent

SUDBURY. — International Nickel's declaration of a 15-cent per common share dividend payable Dec. 31 to shareholders of record Dec. 1 for the last quarter of the calendar year brings the total distribution to shareholders for 1934 to 50 cents per share. Thus, Inco in the first half of the year earned more than enough to pay the year's total dividend. For the first quarter Nickel's net profits were $5,049,275.91 equal to 31c per share; in the second quarter the company earned $4,963,366.48, virtually the same rate per share, after allowing for preferred dividend in each case.

First and second quarter dividends were at the rate of 10c per share, and the third and fourth quarter payments 15c.

Nickel Sales Off

Operating statement for the third quarter of the year is expected to be mailed to shareholders around the 15th or 17th of this month, and financial circles have been making prognostications as to the probable earnings. It is believed that the net profits will be shaded off for the three months ended Sept. 30. Copper prices were lower than for the months immediately preceding, and it is thought also that sales of nickel fell away somewhat. At any rate, the decrease will not be of much magnitude, and at the same time prospects for the fourth quarter are deemed bright, with steel operations slowly increasing, and the season for peak operations in the automobile industry approaching.

In the meantime, the physical condition of the company's plants and properties in the Sudbury district continues in a high state of efficiency, and development programmes are under way both at the Creighton and Frood mines. Considerable new activity is seen at the Creighton these days, where work in preparation for the sinking of a new deep shaft to effect greater economy in mining is now well advanced.

Construction of the smelter additions at Copper Cliff is proceeding well up to schedule, and it is expected that by the first of the year the battery of four new converters will be in operation.

Inco's subsidiary, Ontario Refining Co. continues to operate at about 55 per cent of rated capacity, producing 5,500 tons of refined copper monthly. Though the price of the metal has been lower for the last few months, it is understood the company's output is being sold steadily in England and the European markets.

The company has announced the election of two new directors, Ross H. McMaster of Montreal and Paul Dyer Merita of New York. Mr. McMaster is well known in Canadian industrial and financial circles. He is a member of the board of directors of a number of the largest business enterprises in Canada including the Canadian Pacific Railway and Consolidated Mining and Smelting Co. and is president of the Steel Co. of Canada. Mr. Merita has been assistant to the president of International Nickel since 1931.

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Air Privateers Active Despite Ottawa Ban

Circumvent Law by Discussing "International Topics" — New Methods of Collecting "Sucker Lists" Replace Illegal Ones

"Ladies and Gentlemen, you have just heard a fifteen minute talk by Mr. Eustace St. Blah, on the subject 'Whither the Dollar?' sponsored by that well-known firm of investment counsellors, Hooke, Lyon & Cinker. Mr. St. Blah would be glad to hear how you liked his little discussion. Telephone at once to —— and receive one of Mr. St. Blah's latest analyses of the market. Next week at this time Mr. St. Blah will talk on 'Making the World Safe for Democracy.'"

So speaks the announcer. The radio audience has been treated to fifteen minutes of harmless platitudes; the power of the Radio Commission has been honored only by its elaborate circumvention, and the bait has been laid for another sucker list for the "well-known firm of investment counsellors, Hooke, Lyon and Cinker."

Those who telephone in, (and there are a surprising number of them) will be thanked, and will be persuaded to give their business telephone number and address. The next day they will receive an "analysis," and later a telephone call. The analysis will be on a mimeographed sheet, and will consist of a diatribe against crooks in the mining game, and cleverly sugar-coated boost to some particular mining stock.

Wanted—a "Sucker List"

In spite of the recent ruling of the Radio Commission, that radio broadcasts relating to the mining industry must be confined to market quotations, radio privateers are still active in Toronto airways. True, the radio talks are on lofty subjects, and do not stoop to mentioning any mining stock. But why should they? The sole aim of the sponsor is to equip his firm with a sucker list, and dodge the law.

The head of one such firm recently told The Financial Post that the "response had been excellent." In one night, the programme had resulted in 156 telephone calls, all of whom left their telephone number. Owing to the fact that the securities commission has banned all stock selling over private telephone lines, the business number is always asked for.

When the persuasive gentleman telephones the next day, the subject of democracy or the destination of the dollar, seems to have lost interest for him. He has forsaken democracy, apparently, for Hooey Gold, or some such stock, and is all keyed up about the prospects for this stock on the market.

No Further Action

Advices from Ottawa indicate that having banned all radio broadcasts containing comment of prospects, resources, and future values of mining shares, the Canadian Radio Commission is unlikely to go further and banish mining stock brokers from the air.

The commission has not dealt specially with the form of broadcast outlined above, but unofficially it is learned that little attention is likely to be paid to complaints about them. The rule established is that no advice must be given over the air. If this rule is complied with, no further action is likely.

So it is up to investors themselves, to curb their enthusiasm for democracy or the destination of the dollar, unless they wish to be numbered among the select on somebody's sucker list.

"Those Awful Weapons"

One "Commentator on International Events" is on the air three times a week. He discourses for thirteen of the fifteen minute programme on the evils of weapons of war. He thinks they are awful things, these weapons of war, and that a law should be passed against them. He calls on mothers, wives and sweethearts to do something about it. Just what he wants them to do is not quite clear. The announcer is a little more specific. He wants them to call a certain telephone number.

This particular "commentator" is well versed in the art of dramatics, having a few months ago taken the part of "the Spider" in a series of radio mystery plays.

Being ever ready to lend a hand stopping a war, or to put a crimp in somebody's armament scheme, the writer telephoned, and left his business telephone number. The next day he was called at the office. It was not Sir Basil Zaharoff, asking him to "lay off." It was a stock salesman, asking him to buy Neville Canadian stock.

"Helping" Clients

"We are in the business to help our clients pick the right stock," the salesman stated. He said it could be bought at about 53 cents per share. On the same day, this stock was reported offered on the street at 40 cents, no bid.

He stated he believed about 45 cents of this 53 cents was going into the treasury of the company. Later, the head of the firm employing this salesman stated that 30 cents was going into the treasury.

Asked if this company would support the market, this salesman gave the time-honored reply to such a question. "If we did," he stated, "those brokers would swamp us by selling short." However, he stated, his company had a firm bid of around 53 or 54 cents for their clients.

A total of 750,000 shares of this company, issued for properties, are pooled until March, 1935. Asked what would happen to the stock if this block was dumped on the market in the spring, the salesman replied: "Well, an investor should sell sufficient of his stock to get his original investment when the stock has gone to a high enough price. That is, he should sell sufficient of his stock at the higher price to recoup his original investment."

SHERRITT-GORDON MAINTAINS ASSETS

No Hope of Resumption of Operations at Present Time

An increase of $89,314 in the deficit in surplus account is shown by the report of Sherritt-Gordon Mines for the eighteen months ended June 30, 1934, the deficit carried forward to balance sheet at the end of June amounting to $381,312 as compared with $291,898 as at Dec. 31, 1932. Throughout the period reviewed by the report the company was inactive because of the low price of copper.

No income and surplus account is included in the company's report but The Financial Post is informed by the company that revenue of approximately $106,000 was derived from the sale of 1,534,000 pounds of copper at prices better than those now prevailing. Miscellaneous revenue was small, consisting of bond and bank interest. The principal deductions from revenue account were shut-down expense and a write-off of $66,680 from the value of shares in other mining and exploration companies. No provision was made for depreciation.

Shut-down Expense

Halstead Lindsley, president, in his report to shareholders states that shut-down expense at the company's property, "although considerable is being kept at the lowest possible point compatible with the proper care of such a valuable and extensive plant."

Working capital position was maintained during the eighteen-month period, the report shows working capital amounting to $555,878 at the close of 1934 as compared with $555,100 at the end of 1932. Comparative working capital accounts are shown below:

Working Capital

	1933 $	1932 $
Current assets	558,687	559,445
Current liabilities	2,900	4,345
Working capital	555,787	555,100

Current assets total $558,678. Cash on hand and on deposit at $175,556 is slightly lower than in 1932, while bonds at $148,736 are approximately $100,000 higher. The latter are carried at cost and have a market value of $157,329. Accounts and interest receivable are shown at $9,007 and inventory of refined copper is shown at a valuation of $225,387. This represents 3,610,300 pounds of copper, the value of which is computed at actual cost price of 6.2429 cents per pound. In the previous balance sheet the copper inventory was carried at 5.4 cents per pound, the market value as at that date.

Current liabilities, consisting of accounts payable of $1,797 and wages payable of $1,103, amount to only $2,900 as compared with $4,345 in 1932.

Report Deferred

The only important change in items other than current is in the value of shares in other mining and exploration companies. These have been written down to the current market value, whereas they were previously carried at cost. The amount now stands at $63,313 as compared with $129,994 in 1932.

There is no prospect of the company resuming operations in the near future. The world copper situation is a black one and there is no immediate possibility of a rise in the price of the metal. In his statement to shareholders President Halstead Lindsley states that presentation of the annual report was deferred in the anticipation that the board of directors might have more encouraging news regarding the price of copper, and that consequently they might hold out hope of early resumption of operations. "That hope has," he says, "unfortunately, not been realized."

Revival of Interest in The Golds

Lake Shore
Kirkland Lake
Macassa
McIntyre
Wright-Hargreaves
Dome
Sylvanite

is discussed in the current issue of the Mining Chronicle from the standpoint of world news. This issue also contains timely comment on some of the leading gold producers.

Copies available upon request.

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Teck Shareholder Urges Mine Owners' Association To Pry Loose Information

David Thomas, Engineer, Discusses Latest Development at Teck Hughes

SCORES DIRECTORS

Must be Governed by Strong Body of Investors to Look After Interests, Writer Claims

Last week The Financial Post visited Dr. David Forbes, president and general manager of Teck-Hughes, with a view to ascertaining the future policy of the Teck management in regard to releasing information to the public. In addition to a warm attack on The Financial Post for its long maintained stand, that more information should be forthcoming from this company, (a stand which was later substantiated by the Ontario Securities Commission), Dr. Forbes refused point blank to reveal what the future policy of the company in this regard would be.

For some weeks this paper has been receiving numerous enquiry letters from its readers, many of whom are Teck-Hughes shareholders, seeking information. One of the most constructive was from David R. Thomas, engineer of good standing, and a shareholder. It will be remembered that in 1930 Mr. Thomas, in a series of letters to The Financial Post, started considerable discussion by criticizing this company's policy.

Wants Association

In this letter, Mr. Thomas urges formation of an association of shareholders to look after the investors' interest in this regard.

Mr. Thomas's letter follows:

"The recent Teck-Hughes debacle shows very clearly the necessity of a reasonable amount of reliable information at definite intervals for mining shareholders, as the condition of a mine with, say, one or two years ore reserves may be completely changed in the course of six months. Unfortunately the tendency among mining directors is to give out information to suit market conditions, and not at definite intervals, say, quarterly, with the result that pool operators and market manipulators have a big advantage over the average shareholder, who is not as adept at interpreting partial and distorted information. A good example of this type of information was disclosed at the recent Teck-Hughes investigation. In January partial information on the condition of the mine on the lower levels was given out, which at the time indicated a width of about 30 ft. of ore containing free gold and tellurides. This to the unwary shareholders meant good prospects, and bullish information continued to be published until September 13 when the first bear news appeared.

Shareholders' Plight

"On August 2 the directors published a full-page advertisement in the Northern Miner, sponsored by the president, and paid for with the shareholders' money. This advertisement conveyed to the shareholders the impression that the feverish haste for sinking had been relieved. At the investigation it was revealed that the president was at the mine on or about August 20, giving instructions for the curtailment of production, effective at the end of the month. Under such conditions as these what chances has the average shareholder got?

"The directors claim that the contents of the advertisement of August 2 was a duplication of an article published in the Northern Miner in April and that its publication in August was a blunder on the part of the Northern Miner. Even so, why did not the directors correct it if they were acting in good faith? The directors admit that the precarious condition of the mine had been known to them for a year or two, and they admit that the contents of the advertisement of August 2 did not represent the true condition at the mine in August. Then how did it represent the true condition in April? What was the purpose of publishing the original version as an exclusive feature in the Northern Miner in April? Was this a bait for the suckers?

"Pulling the Plug"

The president accepts responsibility for practically all of the bullish information published in the Northern Miner from January to September, and on or about September 8 he gave an exclusive bearish article to the Northern Miner to be published on September 13. In the meantime he refused information to other sections of the press. On September 12 and 14 the secretary and one of the American directors started to pull the plug and the race to unload was on. While the Northern Miner was publishing bullish information between January and September the appreciation in the stock was something like ten million dollars, and if the bearish article had been published in the Northern Miner in April instead of September no doubt most of this ten million dollar touch could have been saved to the shareholders.

Now that the 10,000-ft. level has become the laughing stock of the whole country, the propaganda is changing from deep mining to ore zone widths, which in the advertisement of August 2 is stated to be 118 ft. When such claptrap is sponsored by a "Doctor of Engineering" and the shareholder's money is squandered for its dissemination, is it not time to elect a new president?

Calls for Resignation

After the race to unload was nearly over, the directors on Sept. 17 issued an interim report confirming the curtailment of production and announcing a reduction in the dividend. The interim report contains only partial information on the condition of the mine on the lower levels, and the president assumes responsibility for withholding such information. Can the president seek the proxies of the shareholders for re-election as a director while he withholds information from them? Is he not abusing his office? What reason has he got for giving information to such channels as the Northern Miner when he refuses the shareholders information in the annual reports and at the annual meetings?

It is now known that there are 17,000 shareholders of whom 13,500 are Canadians, and the majority of the shares are held in Canada. The board of directors is made up of six Americans and only three Canadians. How long are the Canadian shareholders going to permit the American directors to dictate to them? Is it not time for a show down? The unethical practice of the directors in trading amongst themselves with the property of the shareholders will not be dealt with in this letter.

Johnston's Position

From 1926 to 1929 the chairman of the Board, Albert W. Johnston of New York, was the registered owner of only one hundred shares. This was found out. Then he purchased eleven hundred shares and told the shareholders at the next annual meeting that he had made a safe investment for his daughter. At the investigation he stated that he had sold 300 shares during the week of September 11 to 17, but that the shares were not his property. Whose shares were they? His actual recent record in the shares is:

Date.	Bal. of shs. on register.
May 24th 1934	1,200
May 24th 1934	900
May 29th 1934	800
May 30th 1934	500
July 11th 1934	400
Sept 14th to Oct 29th	100

About two years ago one of the morning papers persisted in publishing a long series of high assays on the lower levels. Mr. Johnston resigned in a hurry from the presidency. The directors created the face-saving office of chairman of the board.

If the directors of Teck-Hughes had published a reasonable amount of reliable information in the form of annual and quarterly reports, this debacle could not have happened, and the small shareholders would have had an even break with the directors and insiders. Instead of having to rely on brokers' agents and tipster sheets the shareholders are entitled to a reasonable amount of reliable information first hand from the directors, and this amount should be sufficient for the shareholders to form an intelligent opinion as to the value of the shares.

Shareholders are Owners

After all is said and done the shareholders are the real owners of a mine, the directors are trust officers and their services are paid for. Their duty is to report to the shareholders and not to tipster sheets.

In order to overcome the difficulty of getting reliable information from such boards as the Teck-Hughes, the writer recommends the formation of a "Mine Owners Association" whose board of directors would be composed of financial and mining men, and whose members would be composed of all classes of mining investors who cared to contribute towards its upkeep. Its function would be to ask talking presidents to confirm their statements in writing, and, failing this, to bring the matter to the attention of the Securities Commission, or to take such action through the courts as might be expedient. It could also serve to seek legislation that would serve to protect shareholders from misleading statements made by directors and promoters.

As the matter now stands, many mining companies do not give the necessary amount of information in the annual reports and refuse information at the annual meetings. In fact, some of the companies do not hold annual meetings regularly if it does not suit the directors to do so. Perhaps a million shareholders are at the mercy of a few boards of directors like Teck-Hughes, who refuse information direct to the shareholders but keep up a stream of partial and distorted information in the press when the market is active. A concentrated effort on the part of the shareholders would soon bring such boards to a point where they would give out reliable information or they would have to quit.

DAVID R. THOMAS,
Toronto.

Sturgeon Gold Rush Becomes Work Fest

From Our Own Correspondent

SUDBURY.—With the near approach of winter weather, staking which has proceeded at fever heat in the Sturgeon River region for several weeks, is now slackening somewhat. Definite figures of claims staked and licenses issued at the mining recorder's office in Port Arthur for the month of October are not available, but it is evident that business has slowed up considerably as compared with that of September. Whereas recently the mining recorder and his staff were obliged to put in a great deal of overtime, night work is no longer necessary.

A large number of prospectors and company engaged in exploration of their holdings will continue work throughout the winter.

Forbes Again Refuses To Provide Teck Data

Following the criticism of the Ontario Securities Commission in regard to the manner in which Teck-Hughes Gold Mines has dealt with information to its shareholders, this company, on October 31, issued a "special interim statement" covering operations in September. In view of the stand which The Financial Post has consistently taken on this question, a stand which tallies with that of the securities commission, Dr. David L. H. Forbes, president and general manager of Teck-Hughes, was approached in his office and asked if shareholders were in future to receive monthly statements of the progress at the mine.

Dr. Forbes's replies, read in conjunction with the remarks of Commissioner Godfrey in giving his findings after the recent investigation of the market activity of Teck-Hughes stock, is, The Financial Post believes, newsworthy.

Dr. Forbes' Policy Today

The Post: "Are the shareholders of Teck-Hughes to receive regular monthly bulletins as to the conditions at the mine?"

Dr. Forbes: "You'd like to know, wouldn't you."

The Post: "Yes. That was the purpose of this visit."

Dr. Forbes: "Well, you're not going to. What right have you to know?"

The Post: "Well, it's generally conceded that every newspaper of any standing represents a certain section of the public. The Financial Post represents a large section of the Canadian investing public. If you could see some of the letters which come into our office daily from Teck-Hughes shareholders and others, asking what is going on at the mine, you might understand what I mean."

Dr. Forbes produced a clipping from The Financial Post of Sept. 22, in which, three weeks before the findings of the Securities Commission had been announced, Teck-Hughes directors were urged to be freer with the information to shareholders. Dr. Forbes was vigorous in his criticism of the article, yet offered no denial of the facts contained therein.

Dr. Forbes: "One of the tricks used by papers such as yours is to publish only excerpts from official bulletins, which are made to be deliberately misleading."

It was pointed out to him that in the article in question, his statement regarding conditions at the mine was published in The Financial Post verbatim.

It was also pointed out to Dr. Forbes that the article was written after at least three attempts on the part of The Financial Post to get some statement which would allay the crop of rumors appearing at that time on the street, about ore conditions at the famous old Kirkland Lake producer. To all of which, the president stuck doggedly to his stand that the press had no right to seek such information.

He accused The Financial Post of "playing with the brokers to hammer down Teck-Hughes stock." When The Financial Post assured him he was wrong, he replied that he would not take the assurance, and the interview ended.

Criticism of Investigation

In commenting on the admitted failure of Dr. Forbes to release information to the public regarding Teck-Hughes operations, J. M. Godfrey, Ontario Securities Commissioner, stated:

"I have to find, however, that Dr. Forbes is subject to some criticism in connection with his failure to disclose information regarding the mine and its operations to the shareholders and the investing public. Dr. Forbes stated that he had been considering the question of dividend reduction for a considerable time, in fact during the last two years. The matter had been discussed at a directors' meeting on May 9. On the 20th, 21st and 22nd of August he visited the mine and after consultation with his staff, decided on a radical change in policy.

"As a result of this change one of the three shifts operating the mine was to be cut off; there was to be a reduction of the tonnage treated from 1,300 tons to between 1,000 and 1,100 tons; the old mill equipment was to be used for the treatment of tailings. This change in policy was to be put into effect on Sept. 1. It is obvious that these changes could not be made without causing considerable discussion and the spreading of many rumors derogatory to the mine, and yet no explanation was given to the shareholders, with the result that many disturbing stories were put into circulation which had a serious effect upon the selling price of Teck-Hughes shares.

"This failure to give official information to the shareholders is not new in connection with the management of the mine. Dr. Forbes frankly admits that there have been complaints by shareholders as to lack of information which has made him unpopular and has caused him to be severely criticized."

FALCONBRIDGE EARNS $908,433 IN 9 MONTHS

Net Profit Declines in Third Quarter to 5.79 Cents Per Share

Earnings of Falconbridge Nickel Mines in the three months ended Sept. 30, 1934, were adversely affected by a decline of nickel sales in Europe and by lower copper prices, the company's quarterly report shows. Net profit for the period declined from $366,092, equivalent to 11 cents per share, in the previous three months to $190,048 or 5.79 cents per share.

Net profit for the first nine months of the year was, however, considerably higher than in the previous period of 1933, amounting to $908,433, equivalent to 27.7 cents per share, as against $638,383 or 19.5 cents per share in the nine months ended Sept. 30, 1933. These figures are exclusive of non-operating revenue. Non-operating revenue in the 1933 period was shown at $84,184. Inclusive of this earnings amounted to 22 cents per share.

According to the official statement covering operations for the period a decided improvement in business was evidenced toward the close of the third quarter, and the outlook for the last quarter of the year, by sales already booked, is much better.

Production aand earnings figures for the first three-quarters of 1934 are given below:

	Three Months Ended		
	Sep. 30 1934	June 30 1934	Mar. 31 1934
Production:†			
Smelted	70,005	64,781	64,406
Ni. in matte	1,290	1,307	1,268
Cu. in matte	616	588	602
Ref. ni. prod.	1,194	1,226	1,110
Ref. cu. prod.	507	646	562
Earnings:	$	$	$
Gr. oper. profit.	354,640	529,403	517,765
Less: Tax prov.	45,000	45,000	45,000
Depr. & def. dev.	119,592	118,311	120,472
Net oper. profit	190,048	366,092	352,293
Earn. per share*	$0.058	$0.11	$0.11

* Based on 3,278,705 shares outstanding.
† Short tons.

Note:—The above figures are exclusive of non-operating revenue. The company also states that initial deliveries during the first two quarters more than covered production, and stocks of refined metals on hand were thereby reduced.

HOME OIL DEFICIT MOUNTS IN 1933 REPORT REVEALS

Considerable Improvement Shown in Company's Liquid Position

Operations of Home Oil Co. during the year ended Dec. 31, 1933, resulted in an even higher deficit than in 1932, the company's annual report showing net loss after all charges amounting to $25,588 in 1933 as compared with $6,904 in the previous year. The increase in deficit was almost entirely due to an expenditure of $28,000 in connection with a special examination of records.

Revenue from production was somewhat lower than in 1932, amounting to $68,030. Operating expenses on the other hand were slightly higher. Comparative income and surplus accounts for the 1933 and 1932 fiscal periods are shown below:

Income and Surplus Account Years Ended December 31

	1933 $	1932 $
Sales	68,030	77,786
Less: Oper. exps.	22,539	21,690
Net oper. earnings	45,481	56,096
Add: Other income	6,203	5,294
Net earnings	51,694	61,390
Less: Adminis. exps.	14,348	13,595
Exam. of records	28,046	......
Depl. & deprec. w/o	43,514	54,699
Add: Rebate by Imp. Oil	8,626	......
Deficit for year	25,588	6,904
Add: Prev. surplus	32,354	39,258
Balance forward	6,766	32,354

Considerable improvement is shown in the company's liquid position. At the end of the year the company held government bonds valued at $71,718 and mining shares worth $62,695.

A supplementary statement issued along with the annual report states that investments held by the company as at Sept. 30, 1934, had a value of $145,640. Of this amount $47,621 was in government bonds and the remainder in mining oil companies shares. Cash on hand as at that date totalled $56,766.

Directors of Home Oil have recommended to shareholders that the company's Turner Valley holdings be sold to Royalite Oil Co. for a consideration of 20,000 shares of Royalite stock. Under the terms of the proposed sale agreement, which is being submitted to shareholders of Home Oil for approval this week, all Home Oil interests in the Turner Valley except drilling equipment becomes the property of Royalite. If the deal is consummated Home Oil Co. will return 1,667 shares to Royalite to meet liabilities in respect to its contracts on royalties and production participation so that the shares received by Home Oil will participate in the 75-cent dividend payable to Royalite shareholders of record on Nov. 8.

The proposed deal does not affect the company's 25 per cent interest in Home Oil Distributors.

TWO BUFFALO MEN ARE LEFT IN COLD IN TECK SHAKE UP

Ask Shareholders to Endorse Reduction in Directorate

The management of Teck-Hughes Gold Mines, picking up the hint dropped by J. M. Godfrey, Ontario Securities Commissioner, during a recent investigation into activities of Teck-Hughes stock, are planning to drop the two directors who dumped their stock prior to the announcement of the dividend cut, it is intimated.

Hint of this move is contained in a letter which is being sent to shareholders asking support in reducing the number of Teck directors from nine to seven. In this letter, proxies for the election of Messrs. A. W. Johnston, D. L. H. Forbes, George C. Miller, K. P. Emmons, J. F. Lash, J. F. Thompson, and H. C. McCloskey are included. No mention is made of the present directors, W. W. Reilly and Conrad E. Wettlaufer, of Buffalo.

During the investigation, it was learned that the two Buffalo men had taken advantage of official information regarding the position of the company and its dividend programme and had sold a large part of their holdings before the shareholders were advised of the directors' plans. While pointing out that in doing this the two men had not broken the law, Mr. Godfrey stated that the shareholders would doubtless know how to deal with these men.

Annual Report

A net profit of $3,029,498, equivalent to 63 cents per share, is shown by the Teck-Hughes Gold Mines annual report for the year ended August 31, 1934. This compares with earnings of $3,648,421 or 67 cents per share in 1933. Throughout the year the company enjoyed an average price of $32,394 per ounce for its gold, but due to a decline in the average grade of ore treated, costs of production rose from $11.04 to $15.04 per ounce.

Comparative income and surplus accounts for the 1933 and 1934 fiscal years are shown below:

INCOME AND SURPLUS ACCOUNT Years Ended August 31

	1933 $	1934 $
Bullion production	6,139,175	*5,877,974
Less oper. exp.:		
Devel. & explor.	491,714	442,813
Mining	1,113,275	1,322,603
Milling	459,409	457,355
General exp.	270,541	229,881
Taxes	374,012	224,016
Exam. new prop.	14,993	24,352
Operating earnings	3,415,231	3,176,953
Add non-oper. income:		
Int. & exch.	107,411	105,551
Total net earnings	3,522,642	3,282,504
Less: Deprec.	293,632	253,006
Net profit	3,229,010	3,029,498
Less: Divds.	2,884,286	2,884,286
Surplus for year	344,724	145,212
Add: Prev. surplus	3,361,554	3,648,421
Prem. on shares	....	19,104
Profit on secs. sold	....	....
Less: Addit. inc. tax for prev. year	21,000	....
Silicosis assess. for 1930 and 1931	36,857	....
W/o Vicour Gold M.	....	24,775
Balance forward	3,648,421	3,787,962

* After deducting bullion tax.

Earnings per Sh. & Dividend Record:		
Common: Earned	$0.67	$0.63
Paid	.60	.60
Shares Outstanding as at Aug. 31:		
Common, par val. $1	4,807,141	4,807,144

Lamaque Gold Mines

In submitting the annual report, Dr. D. L. H. Forbes, president, briefly refers to the company's subsidiary, Lamaque Gold Mines, as "a promising new gold mine."

"Your company's strong position," states Dr. Forbes, "and its controlling position in a promising new gold mine are favorable results of the year's operations which should not be overlooked."

Announcement is also made, that present plans call for bringing Lamaque into production by the end of next June on a basis of 225 tons daily capacity, with an increase to 450 tons daily by the end of October, 1935.

Dr. Forbes admits that the company is entering upon a period of decreased earnings from the Teck-Hughes mine. "It now seems probable," he observes, "that the limit of depth for profitable mining will be reached sometime within the next three years. New ore, in addition to that from deep levels, is being developed in the older section of the mine, where mining had ceased to be profitable under former conditions.

Balance Sheet

Current assets as at August 31, 1934, consisting of $294,059 in cash, $2,978,102 in government bonds, $300,573 in bullion in transit and $135,231 in miscellaneous items, a total of $3,707,965, are somewhat lower than in the previous year when liquid assets totalled $4,069,995. Current liabilities at $478,660 are also lower, leaving a working capital of $3,094,074. The decrease in liquid assets is more than accounted for by the investment of over $800,000 in the capital stock and bonds of Lamaque Gold Mines. Teck-Hughes owns 70.8 per cent of the capital stock of Lamaque Gold Mines and all of the issued bonds.

Buildings and plant which in 1933 were carried at the value of $253,007 after depreciation, have been written down to the nominal value of $1, the balance sheet shows.

MACASSA EARNINGS 9.65 CENTS A SHARE

Six Months Ended Sept. 30 Show Increase in Profits

Net profit of Macassa Mines for the six months ended Sept. 30, 1934, was almost double the amount required for the initial dividend payment of five cents per share which was made Nov. 1. At $253,749, it is equivalent to 9.65 cents per share, according to the estimate which was sent to shareholders along with dividend cheques. This is a material improvement over the previous 5½ months when net profit amounted to $158,002.

Production during the six months under review was valued at $578,964. This brings bullion output since the mine was brought into production in October, 1933, to $981,762. Tons milled in the six-month period ended Sept. 30 totalled 33,971 tons, giving a recovery of $17.04 per ton. In the previous period mill tonnage was 24,624 tons and recovery per ton, $16.36.

Silver

Opinion in support of China's attitude continues to be strong in England and in certain informed quarters of New York. It is becoming increasingly accepted that a continuation of the president's policy will seriously harm the economic structure of China. However, any major change in policy in the United States is not expected until the results of the election are known.

A modification in China's silver tax policy was announced on October 29 by the minister of finance, Mr. Kung, who also gave his reasons for the change. The export tax is now to be imposed on the day of declaration for shipment in order to give the banks a suitable coverage in event of a heavy demand on silver for exchange.

Trading in Montreal (Oct. 22-Nov. 5)

	High	Low	Close	Contracts
Dec.	53.40	52.00	52.35	215
Jan.	53.35	53.10	52.55	7
Mar.	54.05	53.25	53.35	97
May	54.75	53.65	53.80	150
July	54.00	54.00	54.40	9
Sept.	55.10	54.85	55.00	36

London: Spot, Nov. 5, 23-7/16d.
New York: Spot, Nov. 5, 53 cents.

Metal Prices

New York—Nov. 6—
Copper: Electrolytic spot and future, 9c.
Silver: 53c.

London—Nov. 6—
(Long Ton)—
Copper: Electrolytic spot, £30 10s; future, £31. Standard spot, £27 10s; future, £27 15s.
Tin: Spot, £228 12s. 6d; future, £228 10s.
Lead: Spot, £10 7s. 6d; future, £10 12s. 6d.
Zinc: Spot, £12 5s.; future, £12 10s.
Silver: 23-7/16d. per ounce.
Gold: 139s. 5½d.

Canada—Nov. 6—
Gold: $34.

Mining Stock Quotations

Week Ending November 5.

Par Val.	Range 1934 High	Low	Company	Sales	Close Oct. 29 (or last)	High for week	Low for week	Close Nov. 5
1	.06	.00¾	Aconda	2,000	.01	.00¾	.00¾	.00¾
No.	.33	.10	Aldermac	8,100	.10	.12	.10	.10
1	.10	.01½	Alexandria	21,300	.01½	.01½	.01½	.01½
No	.18	.03	Algoma	13,700	.04	.04	.03	.03
1	.04	.01	Amity Copper	7,000	.01	.01	.01	.01
No	4.61	2.00	Anglo-Huronian	4,440	4.25	4.40	4.20	4.35
1	.08½	.02	Area	1,000	.02	.02½	.02½	.02½
No	.20	.02	Arno	1,000	.02	.02	.02	.02
1	1.25	.25	Ashley	1,350	.30	.35	.25	.30
1	.18	.03½	Astoria Rouyn	7,800	.04	.04	.03½	.04
1	.76	.20	Towagmac	8,800	.22	.27	.20	.25
1	.85	.24	Treadwell	......	.24	.....	.....	.....
No	.02½	.00½	Vacuum Gas	1,500	.01	.01	.00½	.00½
No	1.12	.77	Ventures	36,655	.84	.90	.82½	.89
1	.03½	.01½	Vickers	4,500	.01½	.01½	.01½	.01½
No	1.53	.50	Waite Amulet	1,644	.64	.60	.50	.60
50c	.50	.06	Wayside Cons.	39,400	.08	.09½	.07	.08½
No	.43	.14	White Eagle	34,800	.15	.17	.14	.15
1	.07½	.01½	White Lake	500	.01½	.01½	.01½	.01½
1	.18	.05	Wiltsey Coughlan	84,400	.08	.10½	.08	.10½
1	.20	.05	Wood Kirkland	....	.08½	.....	.....	.....
No	10.25	6.75	Wright-Hargreaves	14,820	8.60	8.90	8.25	8.90
			OIL STOCKS					
No	.33	.16	Acme Gas & Oil	11,650	.18½	.18	.16	.17
1	.20	.09	Admiral	....	.20	.....	.....	.....
1	1.60	.70	Ajax	10,025	.84	.85	.70	.85
1	.25	.08	Alta. Pacific	600	.08½	.09	.08	.09
No	.35	.10	Associated	4,500	.12	.12½	.10	.11
No	.13	.03	Baltac	2,000	.03½	.04	.03	.04
No	1.60	.55	Calgary & Ed.	2,200	.62	.65	.55	.65
1	.15	.04½	Calmont	3,000	.05	.05	.04½	.05
No	.12	.04	Common Pete.	......	.04	.....	.....	.....
No	.65	.22	Dalhousie	1,400	.26	.30	.25	.25½
No	.30	.09	East Crest	200	.10	.10	.10	.10
No	.58	.07	Erie Gas	100	.12	.15	.15	.15
No	.75	.20	Foothills	....	.20	.....	.....	.....
No	.35	.20	High Sarcee	....	.23½	.....	.....	.....
No	1.90	.45	Home	161,190	.65	.70	.45	.60
1	.25	.10	Homestead O. & G.	1,500	.11	.11	.10	.10
No	.44	.10	Lowery	1,000	.11	.10	.10	.10
No	.42	.19	Merland	3,300	.22	.21	.20	.20
1	.48	.09	Midwal Oil	....	.09	.....	.....	.....
1	.33	.17	Model	700	.19½	.19	.18	.18
5	.17½	.05	Nordon	2,500	.05	.05	.05	.05
No	.09	.02½	Oil Selections	6,000	.03	.02½	.02½	.02½
No	.34	.07	Olga Gas & Oil	34,250	.08½	.09	.07	.07
1	1.10	.50	Petrol Oil & Gas	......	.50	.....	.....	.....
No	19.55	12.75	Royalite	2,860	15.00	15.75	14.75	15.75
1	.13	.04	Sarnia Oil	2,500	.04½	.04½	.04	.04½
No	.17	.07	South West Pete	......	.15	.....	.....	.....
No	.90	.85	Texas Canadian	600	.88	.85	.85	.85

Par Val.	Range 1934 High	Low	Company	Sales	Close Oct. 27 (or last)	High for week	Low for week	Close Nov. 5
1	.51	.18	Congress Gold	11,410	.25	.26	.20	.22
25c	.02	.00¾	Cork Province	......	.00¾	.....	.....	.....
1	.08	.05	Cotton Belt	......	.05	.....	.....	.....
1	.06	.01½	Dalhousie Mines	......	.01½	.....	.....	.....
No	2.07	.25	Dentonia	53,200	.43	.44	.33	.38
No	.07½	.03	Dictator	1,200	.04	.03½	.03	.03
1	.45	.14	Dunwell	4,500	.18	.18	.16	.16
No	.44½	.12	Fairview Amal.	13,400	.18	.30	.16	.16
1	.12	.07½	Federal Gold	......	.10	.....	.....	.....
1	.42	.20	George Copper	......	.20	.....	.....	.....

VANCOUVER STOCK EXCHANGE
(Transaction for Week to November 2.)

Par Val.	Range 1934 High	Low	Company	Sales	Close Oct. 27 (or last)	High for week	Low for week	Close Nov. 2
1	.09½	.01½	Alexandria	4,000	.02	.01½	.01½	.01
No	.20	.15½	Atlin Pacific	9,350	.19	.20	.15½	.15½
25c	.03½	.01	Bayview	10,500	.01½	.01½	.01½	.01½
20c	.09½	.03	Beaver Silver	35,000	.07	.07	.05	.06
25c	.03½	.01	Bluebird	3,500	.01	.01	.01	.01
1	3.70	1.65	Bradian Gold	5,624	1.75	2.85	1.80	2.10
No	16.95	9.85	Bralorne	577	11.65	13.00	11.50	13.00
1	.48	.06	Bridge River Cons.	20,700	.07	.07½	.06	.07
50c	1.40	.18	Bridge River Exp.	21,900	.21	.22	.18	.19
50c	.27	.15	B. R. Mountain Gold	......	.15	.....	.....	.....
1	1.76	.28	B. C. Nickel	276,950	.62	.61	.28	.46
1	1.25	.90	B. C. Silver	......	1.00	.....	.....	.....
50c	.20	.08	Butte I.X.L.	......	.09	.....	.....	.....
50c	.24	.07	Canadian Rand	4,200	.10	.09	.07	.07
1	2.90	1.00	Cariboo Gold	7,155	1.10	1.15	1.00	1.10
No	12.60	8.75	Coast Breweries	340	11.30	11.25	10.75	11.00

DIVIDEND PAYERS

	Rate	Yield
Ajax Oil	5c.	9.41
Anglo-Huronian†	40c.	.....
Bralorne	60c.+20c.	4.52
Buff. Ankerite	10c.	3.22
Bulolo Gold‡	60c.	.....
Coast Brew.	92c.	8.36
Coniagas‡	12½c.	.....
Cons. Smelters	1.00	.....
Dome Mines	$2	5.16
Falconbridge	10c.	.....
Hollinger	65c.+65c.	3.25
Howe Sound	$3	.....
Howey Gold	10c.	.....
Int. Coal & Coke‡	1c.	.....
Int. Nickel c.	15c.	.....
Kirk. Lake†	3c.	.....
Lake Shore	$2+$1	3.63
Macassa†	5c.	.....
McKinley Mines†	2½c.	.....
Mercury Oils‡	4c.	.....
Merland Oils‡	5c.	.....
Model Oils	3c.	.....
Nipissing	12½c.	.....
Noranda‡	$1	.....
Petrol Oil‡	3c.	.....
Premier	12c.	9.91
Pioneer, B.C.	80c.	6.80
Reno	3c.	.....
Royalite	50c.	3.17
San Antonio†	5c.	.....
Siscoe	12+5c.	4.86
So. Amer. Gold	10c.	.....
Sylvanite	20+5c.	8.00
Teck-Hughes	40c.	9.75
Toburn	8c.	.....
Wright-Har.	40+20c.	4.49

‡Interim. †Initial.

Unlisted Mining Stocks

November 6, 1934

	Bid	Asked		Bid	Asked
Algoma Summit	.55	..	Lamaque Gold	1.13	1.18
Afton	..	.18	Lake Caswell	..	.45
Arntfield Gold	..	.75	Langmuir L. Lac.	..	.36
Arntfield Synd.	..	.75	Long Lac Synd.	..	2.00
Bailor Gold	..	.06	McFarlane L. Lac	..	.10
Bankfield Gold	.71	.74	MacL. Cockshutt	.29	.31
Bathurst	.04	.04½	Magnet Lake	.18	.20
Bur-Ley Long Lac	..	.20	Marbuan	.65	.66
Bidgood Cons.	.01½	.02½	Matachewan Can.	.15	.17
Can. Pandora	.14	.16	Metals Devel.	..	.04
Canusa Mining	.05	.07	Minefinders	1.00	3.00
Casey Summit	..	.30	Montague Gold	3.00	4.00
Cent. Porc.	..	.40	Murwood	.25	.30
Cochenour Will.	90.00	105.00	Mosher Gold	.09	.11
Columario (old)	.13½	.15½	Neville Can.	..	.40
Continental Kirk.	.05	.07	North Shores	.11½	.11¾
Crown Reserve	.02½	.03½	North Tiblemont	.09	.12
Cuniptau	.26	.31	Payore Mines	.31	.34
Dennison Cop.	..	.03	Pontiac Rouyn	.28	.35
Dunlop Cons.	.01¾	.02½	Queen Lebel	.10	.15
El Bonanza	.13	.16	Rice Lake	.07	.10
Forty-Four Gold	11.50	12.50	Roche Long Lac	.15	.16½
Goldside	.17	.19	Sakoose	.40	.44
Gold Eagle	.33	.36	Scullers Gold	11.50	12.75
Gold L. Lac Unit	13.00	16.00	Shawkey	.32	.35
Gr. Bear Lake M.	.22	.26	Smelter Gold	.23	.24
Gabrielle	.62	.67	Sturgeon River	..	5.00
Hardrock Un.	50.00	55.00	Tashota Goldfield	.44	.50
Hardrock	..	.55	Tiblemont Island	..	.72
Hislop	.16	.20	Toburn	1.20	1.25
Herbin Lake Un.	17.00	19.00	Tom. Johnson Nip.	.09	.11
Hudson Pat	.16	.18	Vanguard L. Lac.	.27	.30
Karl Springer	2.50	3.25	Vanquelin Sifton.	.30	.35
Kenogamisis	..	.14	Wendigo	.70	.75
Kirk. Gold Belt	..	.17½	Witch Bay Gold	..	5.50
La Roche	..	.16	Wells L. Lac	.15	.17
Lafayette L. Lac	.04	.06	West-Side L. Lac	..	.20
Long Lac Lagoon	.15	.17	Wingold	..	.27
			Young David	.19	.20
			Ymir Y. Gold	.45	.47

Source of quotations on application. Not guaranteed.

Winnipeg Stock Exchange

(Transactions from Oct. 27 to Oct. 31)

Div. rate in $	yield in %		Sales	High for period	Low for period	Close Oct. 31
..	..	Central Bank	30	55.00	55.00	55.00
..	..	Gold Lake	250	.54	.54	.54
..	..	Gabrielle	550	.68½	.66	.66
..	..	Island Lake	250	.05½	.05½	.05½
..	..	Ore Grand	900	.10½	.10	.10½
..	..	Oxford Lake	70	2.75	2.50	2.50
..	..	Vanson Manitoba	2,800	.33	.30	.31
..	..	Wingold	1,000	.34	.31	.31
1	..	United Grain	2	11.00	11.00	11.00
..	..	Wallace Lake	500	.10	.10	.10

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	Pelissiers, com.	.25	..
Beaver Lumber, c.	3	3½	Pelissiers, pref.	..	25
Beaver Lumber, p.	..	65	Sov. Life, 25% pd.	..	14
Canadian Fire	57	..	Traders' Bldg.	60	..
Cres. Creamery, p.	20	25	Can. Amer. Tr. sh.	2.45	2.70
Great West Life	370	..	Can. Inv. Fund	..	3.25
Home Investment	..	25	Fundament. Ser. A	3.75	4.25
North Mtg. part pd.	..	5	Fundament. Ser. B	3.50	..
Northern Trust	..	15	Grouped Inc. shs.	..	3.85

* Stocks more active on other exchanges not included.

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EXPERT'S REPORT ON NFLD. CHROMITE FIRST OF ITS KIND

Must Balance Concentrating Costs Against Accessibility, Says Snelgrove

Chromite, first discovered in Newfoundland in 1864, has been worked with varying success and in a small way since that time. It is not until recently, however, that a systematic report on the chromite deposits of Newfoundland has been made. Dr. A. K. Snelgrove, geologist for the Commissions of Government in Newfoundland, in bulletin No. 1 just released, makes an exhaustive study of the chromite possibilities of this colony.

Dr. Snelgrove finds that there are seven deposits of chromite now known in Newfoundland. Of these only one has been worked. The locations of these seven deposits are as follows:

Shoal Pond—In the northeast part of the colony.

Burnt Hills—Along the headwaters of the Gander River.

Mount Cormack—Due west of Burnt Hills.

Stowbridge, Blow-me-Down, Bluff Head and Chrome Point—Along the western coast of Newfoundland.

Past Shipments

In concluding his report, Dr. Snelgrove says:

"Estimates of reserves of chromite in the island are of doubtful value with the data available. The discoveries to date are chiefly concentrating ores; the composition of some of the chromite is such that a high grade concentrate is possible. In the American market these would have to compete with direct smelting ores from the eastern hemisphere. The present availability of Newfoundland chromite is, therefore, conditioned by ability to balance favorably concentration costs against the longer transportation of foreign ores."

While in the past Newfoundland has shipped small quantities of chromite from the West Coast, there have been no chromite deposits worked since the war. Prior to 1919, production and exports of Newfoundland chromite were as follows:

1895	44 tons
1896	1,031 tons
1897	3,084 tons
1898	657 tons
1899	717 tons
1919	81.3 tons

Practically all of this ore was derived from Bluff Head and was consigned to the United States. The value of the exports from 1895 to 1899 is given at $87,350. The exports of 1919 were valued at $2,900 and were shipped to Canada.

Diana Gold Considers Larger Mill Capacity

Diana Gold Mines is giving serious consideration to a proposal to install new milling equipment early in 1935 to bring the capacity of the company's mill to 75 tons daily, The Financial Post is informed by officials of the company. Plans at present being drawn up also propose the addition of concentration and cyanidation tables in order to give an over-all extraction of about 90 per cent.

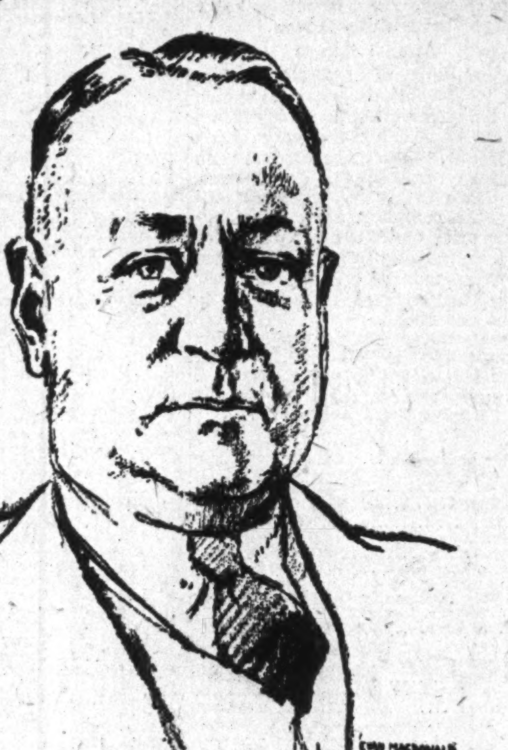
During the period August 15 to Sept. 15, recovery, according to a statement issued by the company, totalled 560 ounces of bullion, having an approximate value of $18,000. The daily tonnage was in the neighborhood of 30 tons with recovery better than 70 per cent. With the completion of an additional compressor and a 125-h.p. return tubular boiler the mill capacity is to be stepped up to 40 tons daily.

Current development work includes the opening up of four new stopes. A raise has also been put through from the 125-ft. level to the surface providing a secondary exit from the mine.

A freighting contract for the 1935 supplies, machinery, etc., has been let by the company. The freight will be taken in over the winter road via Great Falls, a distance of 44 miles.

Hammell "Cracks Open" On Mines, Government

Would Take Cabinet Ministers Through Northern Hinterlands



—Sketched from life by Evan Macdonald.

JOHN E. HAMMELL

"No Picayune Policies . . . ."

Jack "Crack-open-the-north" Hammell is no word mincer when he wants to get an idea across, as any number of government officials will testify.

Recently returned from two expeditions into the hinterlands of Ontario and Quebec, whither he went to give his shoulder to the mining drive in these areas, Canada's best known and most colorful mining man, in an interview with The Financial Post, spoke his mind about the present status of Canadian Mining, governments, and the relationship which should exist between the two. When Jack Hammell mixes these three ingredients, an interesting verbal bill-of-fare results;

"Canada needs no New Deal," he stated. "Nature has given us a New Deal since our people got a glimpse of the astounding possibilities of our Northland, and the price of gold climbed by almost 75 per cent over the former fixed price.

"Under present conditions Canada has only one chance and this chance is recognized by the hundreds of thousands of Canadians who own shares in mining companies. But in spite of this great chance, which surely has been evident to every man of intelligence, we must have statesmen big enough to realize the chance and get behind the greatest pioneering line the world has ever known.

"I think I can speak for the developers in the field with hundreds of whom I am constantly in contact. They say that all they want is non-interference from picayune policies and full co-operation from governments in the building of roads and power lines.

"It would be a great pleasure for me to take six or seven of our cabinet ministers over some of the routes by air, by trail and by water over which I have gone in the last few weeks in the course of my work in Patricia and Quebec. While some of the leaders have seen Northern development close to the railway, I feel that it would be a revelation to many to see the conditions under which mines are established in the remote fields today.

Must Take the Bumps

"Any cabinet minister who went up there now would feel that he had to get behind the boys who are doing the slugging—the same crowd who moved in hundreds of tons of supplies over the frozen lakes in 40 below weather last year.

"He would want to get the boys in the camps up there into the work of building new roads and power lines, and I am certain he would come back with a desire to do everything in his power to see these new mines get away to a good start.

"Canada is in a better position today than almost any country in the world by reason of her richness in natural resources." Mr. Hammell continued. "To this must be added the pioneering spirit of her northern and western people for it is in the very blood of these people to open new country and take the bumps that come to the Sons of Martha.

"But with all our huge advantages, we are not yet out of the woods and the only thing that will pull us across is the vast mineral resources of our North country. That word 'vast' may be used a good deal, but after thirty years of searching for and developing mineral deposits with a fair degree of success I think I can make use of it, for it is my absolute conviction that in this great stretch of mineralized rocks we will be making discoveries not ten or twenty years hence but even a hundred years from now.

"While Governments gradually have been giving the north a fair amount of co-operation, I think they must now be seized with the same pioneering spirit that sends prospectors into the wilderness to live for years on beans and bannock. They must rekindle the spirit their fathers and grandfathers had. Officials must have the vision to see the true picture, forgetting the pennies and looking toward the pounds.

Scores Gold Tax

"The imposition of a tax on gold, modified though it was, was harmful to the industry. Those engaged in the mineral industry are not unaware of the difficult times through which Canada has been passing. However, the bullion tax is an emergency measure and disappears with the end of the Dominion fiscal year on March 31 next. It is to be hoped that no such occasion in the life of the country will again arise where a tax of similar character will have to be resorted to by the Dominion or any of the Provinces in Canada, because the imposition of the tax, even in its modified form, was an invasion of a fundamental principle of the science of taxation, at least in that it imposed a tax on the product of the industry without relation to the cost of production. The result of the tax, if it became a permanent impost, would unquestionably turn hundreds of thousands of tons of ore into rock.

"Under the constitution of our country, the Dominion and the provinces have reserved and vested in them certain sources of taxation and these reservations and investitures immediately give rise to corresponding responsibility. During the last five years, and perhaps prior to that, there has been a general movement toward a shifting of responsibility without appropriate readjustment of the powers of taxation. The Dominion Government and all the provinces had better take a look along the barrel and see that their respective imposts are sufficient and only sufficient to carry on those public services that are absolutely essential.

"In any event, from the standpoint of the Dominion and the provinces, this is no time to be plucking the feathers out of the goose that lays the golden egg but rather to refashion their viewpoint and lend helpful and enthusiastic support to those who are searching for the new mines to take the place of those that will drop out of the profitable production picture as time goes on. Every man who prospers should be willing to pay his share. But anything that is aimed at the hampering of the mining industry today could only be the product of single-track minds. The only way to the opening of the north country is by encouraging outside capital rather than discouraging it.

"Some high-up officials think that because the price of gold is high, taxation should be the result. By this decision they shorten the possible life of mines, and take the tax from the wrong end.

"The true situation is this: the gold mining industry is non-competitive. No matter where the price goes, this increase does not cost the people of Canada one cent. The increase is not monopolized by a few but goes into many channels of trade and investment. When other commodities increase in value, the people pay. The production of gold stimulates and helps all other industries.

"Just too Bad"

"Take any producing mine. The people who start it have to possess courage, faith and vision. They have to gamble the first moneys after which they are compelled to go to the public. The very nature of mining is such that some of the best-looking ventures go sour. Some are good and some are failures. But Canada has developed a well trained group who don't waste their time on wildcats, and do not offer a property to the public unless they have absolute faith in it. The best of mines go through a long, trying and troublesome experience until they are washed up or proved a success. The difficulties are tremendous in themselves but every effort has a bearing on the building of this nation and her people's stamina The men in the business are ready to risk everything, including their lives, to advance the industry.

"Well, if any statesman, elected to represent the best interest of his country, cannot see the possibilities of mining and its bearing on the future, then it's just too bad for Canada. For he's just so much deadwood impeding the wheels of progress, whereas he should be big enough to visualize the real situation and sense the fact that the mining men of Canada are not a host of chisellers, but a great army of pioneers who care more for the game than the money they may win from the game.

"Through all the mining areas of the pre-Cambrian shield one finds great clay belts. If it were not for these mining centres, no farmer could exist up there. Look at the Kirkland Lake or Timmins market today. And not only that, but the mines open jobs for the farmer's son and help to get him over the hard spots.

"Our country could well employ the men now out of work on the building of bush roads into mining centres. This is constructive and man-building rather than pauperizing. There are few mining roads that have not paid their cost over and over. The same thing is true of hydro-electric power development. I know of no power line in the North today which went in for mining development and did not succeed.

No Song of Woe

"Today's mining developer is too busy trying to create things to spend his time in making speeches about the industry. But he believes that the great opportunity is at hand for our public men to get on the ground and size this thing up for the country as a whole. Surely mining is deserving of the constructive thought of our best men.

"I am not singing any song of woe. I know that gold mining is going farther ahead than we can visualize it. I also know that whatever the people do for mining will be returned in terms of solid and enduring prosperity. I have no patience when I run into a petty mind, for we have got to go and keep going in the field of Canadian mining development. This country must be put across and now is the time to do it. The fellows who get in our way must take the consequences.

"May our leaders be endowed with the vision, faith and courage which this our mining heritage deserves," said Mr. Hammell in conclusion.

ATHABASKA FIND AROUSES INTEREST OF "BIG TIMERS"

Sask. Government Samples Rich Rock Containing Gold, Silver, Nickel

From Our Own Correspondent

REGINA.—First samples from the Lake Athabaska mineral find received by the Saskatchewan department of natural resources reveal what appears to be a rich field of gold, silver, nickel and copper. Prospectors who have reached the outside speak very highly of the possibilities contained in the area.

Eight samples, no one larger than an ordinary egg, contain a wealth of mineral and in the case of sample number one, gold quartz from Vic number two claim free gold is visible to the naked eye and in no mean quantity. Number two sample from Vic claims one and two reveals gold in arsenide estimated at $174 to the ton on a line of strike 200 ft. wide and more than one mile long. Sample number three from the Jin claim contained 10 per cent nickel and gold at $2 per ton. Sample number four from Anchor number five contained 52 per cent lead, silver at 17 ounces and gold at 85 cents to the ton. Number five sample from Cannery Bay contained 45 per cent copper also gold and silver. Sample number six, granite porphyry yielded gold rated at $75 to the ton. Sample seven from Cannery Bay, chalcopyrite held copper, iron, sulphur and gold at $1.75. Sample eight, calcocite, contained 57 per cent copper also gold and silver values.

Smelters on the Spot

Extensive staking is now taking place with Consolidated Smelter engineers on the spot. They were flown to the scene as soon as the discovery was made. Others from Great Bear Lake region and nearby prospects have flocked to the Saskatchewan find and while 400 claims have been made so far it is expected that by the time transportation is resumed after the freeze-up that 1,000 claims will be staked.

The main strike is well on the Saskatchewan side of the Alberta border, at least 40 miles from the interprovincial boundary. Beaverlodge Lake is the centre. This lake is separated from Lake Athabaska by a short unnavigable creek half-a-mile in extent. The main find crosses this creek in the form of gabbro and amphibolite rock and extends eight miles on either side of the creek. The height of land comes abruptly a few miles north of the main lake. Few streams flow southward as a result but the other side is the watershed to Great Slave Lake. The general short line is rocky, indented by numerous bays and fringed by hundreds of islands. The country to the north contains irregular rocky hills which reach 800 ft. above the lake. The lake's surface is 695 ft. above sea level.

Surveyed in 1914

So far no direct contact has been made from the Saskatchewan side. The nearest airbase is Prince Albert, about 425 miles south east. From the Alberta side the territory is accessible by water from the end of the North Alberta railway steel.

The district surrounding Lake Athabaska was surveyed as far back as 1914 but it was not until 1923 that the first survey map was issued by the federal department of mines. Since then air photos have been taken, thus allowing a more detailed survey.

The direction of the main outcropping of the Beaverlodge Lake field is from northeast to southwest. It is believed to be one of the main bands of rock described by J. B. Tyrrell of the federal department of mines as part of the Tazin series. The country contains little soil being covered with smooth-faced rock, mostly granites and gneisses.

Known to Camsell

As far back as 1916 the area was known to be mineralized. Dr. Charles Camsell in memoir 84, No. 69 of the geological series describing the exploration of the Tazin and Taltson Rivers wrote that reports had been circulated of free gold having been found on Lake Athabaska in quartz veins traversing rocks corresponding in lithological character to those of the Tazin series. Small amounts of iron ore had also been noted. Some nickel was known to occur in the bodies of gabbro that cut granites and older sediments but the amount of work done has not been sufficient to prove their importance. There were evidences at that time that the region bordering on Lake Athabaska on the north was a mineralized region which might eventually prove to contain some of the precious metals in quantities rich enough to work even in a district so remote from the means of transportation available at that time.

VANALTA EARNED $8,864 IN 1934 $13,029 IN 1933

Reduces by Half Allowance for Depreciation and Depletion

Operations of Vanalta Ltd. during the year ended June 30, 1934, resulted in a net loss of $125 after provision had been made for depreciation and depletion, the company's annual report shows. This compares with a loss of $5,793 in the previous fiscal year.

Income from production from the company's four producing wells in the Red Coulee field of Southern Alberta amounted to $22,033. Operating profit after deduction of royalties of $3,856 and operating expenses of $4,789 totalled $13,388, and this was further increased by the addition of miscellaneous income of $2,708. After deduction of administration and general expenses of $7,231 net profit before depreciation and depletion amounted to $8,864 as compared with $13,029 in the previous year. In the 1933 fiscal year administration and general expenses were $2,175.

Provision for depreciation and depletion of wells during 1934 is less than half the amount provided in the previous year, the report shows, amounting to $7,597 in 1934 as compared with $16,965 in 1933. Provision for depreciation of equipment is shown at $1,392 while $1,857 was provided in the previous fiscal period.

Deficit carried to balance sheet increased from $6,427 as at June 30, 1933, to $13,859 as at June 30, 1934. Besides the net loss for the year additions to deficit account consisted of mining property expenditure written off of $2,530, fees in connection with increasing the authorized capitalization and changing the company's name of $1,569, provision for income taxes of $1,250 and profit and loss charges applicable to prior years of $1,958.

Although revenue from production was higher in 1934 than in 1933 output actually decreased, production dropping from 23,000 barrels in 1933 to 17,500 barrels in 1934. To offset the decrease in production, the average price per barrel in 1934 was 34 cents higher than in 1933.

The company's balance sheet as at June 30, 1934, shows improvement in working capital position as compared with last year, working capital amounting to $40,797 on June 30 last as compared with $8,913 in 1933. Current assets as at the date of the balance sheet totalled $43,373 and current liabilities, $2,576. This improvement in the liquid assets of the company reflects the sale of 240,000 treasury shares at 14.4 cents per share. The sale of treasury stock was made possible through increasing the authorized capitalization from 500,000 no par value shares to 1,500,000 shares. The outstanding capitalization now stands at 651,110 shares.

R. E. Barker, president, in his report to shareholders, states that the 24 claims in the Bridge River area, known as the "R" group, have been sold to the Bridge River Motherlode Co. for the consideration of money expended by Vanalta on the property and 270,000 shares in the purchasing company. These are not valued for balance sheet purposes. The Hillside group of claims in the same area which Vanalta holds under option agreement are valued at $5,928, which is the amount expended by the company on development work. The option on claims in the Cariboo District has been dropped.

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Kirkland Cons. Cuts Vein in Diamond Drill Hole 6

Kirkland Consolidated Mines has made public a telegram from the engineer in charge of the properties in Grenfell Twp., Kirkland Lake area, stating that 7 ft. of vein material in diamond drill hole No. 9 has just been cut. This vein, it is stated is from 264 to 271 ft., and is composed principally of quartz with some diorite. Mr. Hurd reports that this is a continuation of the high grade vein cut in No. 4 hole and that they have also cut a vein 140 ft. to the northwest of No. 4 hole.

Wendigo Gold Reports New Plant Operating

C. L. Spencer, manager of the Wendigo Gold Mines, in a report received at the company's Toronto office, states that all of the additional mining plant, which included two new 570 ft. air compressors is two new 570 ft. air compressor, is 500 ft. level, the lowest level of the mine, is progressing and the average for the 61 ft. of the west drift shows .48 oz. of gold over a width of 35 inches. Mr. Spencer states that as the drifting progresses, the values and widths are improving. Drifting on this level will be progressing about 300 ft. per month.

Drifting also commenced recently on the 350 ft. level, at the same time. Other underground development under way includes the extension of the west drift on the 100 ft. level on which the last two rounds show values and widths equal to the average on this level. On the 200 ft. level, where drifting during the past 12 months has been done for a distance east and west of the shaft of about 340 ft. each way has shown a total footage of ore on this level of 388 ft.

After underground surveying of the strike of the vein occurrences on the 200-ft. level, it was found that drifting on the lean sections on this level was shown to be off the vein at the three points mentioned above and drifting and crosscutting during the past month has connected up these blank vein sections in the west drift, leaving the total length of drifting west of the shaft for the full length, now in ore of average grade.

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